State Power and Private Governance

Negotiating the nature of ‘Fair Trade’ in UK government procurement and beyond

Presented by Alastair M Smith at:

Beyond Individual Consumer Choice: Institutionalising Fair Trade and Public Procurement
Sustainable Development

- 1988 Bruntland Report – Sustainable Development (SD) established as a concept
  - Three equal pillars: economic, social and environmental
  - Anthropocentric concept – social justice

- Development not just about ex-post intervention
- Development of others must be considered in current actions
Agenda 21

- 1992 Rio Conference & Agenda 21
  - Northern consumption patterns should be ‘taking into account the development need of developing countries’
  - Everyone to take a role especially local government

‘to promote patterns of consumption and production that reduce environmental stress and will meet the basic needs of humanity’
UK Government Response

- UK Government develops first national strategy in 1994
  - Updated in 1999 and 2005 ‘Securing the Future’.

‘There is a clear obligation on more prosperous nations both to put their own house in order and support other countries in the transition towards a more equitable and sustainable world’
Role of State Procurement

- 2006 D.E.F.R.A *Procuring the Future*
  - Government must ‘lead by example’
    - Many academics agree (Morgan 2008)
  - Priority areas: 3rd food

- Growing body of empirical examples
  - Concentrate on environmental issues, local human health economy (Sonnino 2009)
  - What about ‘international’ sustainable development?
Further Commitment to SD

Eliminating World Poverty: Building our Common Future
through Fair Trade!...
OGC Discourse on Fair Trade...

and ethical trade

Annex - Examples of Fair and Ethical Trade Organisations

The Fairtrade Foundation awards the FAIRTRADE Mark to products that meet international Fairtrade standards. These include long-term trading contracts, making clear in advertisements and invitation to tender documents that fair trade options are welcomed as part of the products supplied to meet pro-trade options, asking for products bearing the Fairtrade Mark ‘or equivalently’ is a helpful way of demonstrating that fair trade standards are being met.

- The products should be made available for, for example, departmental meetings, conferences and hospitality activities.

- For money, all public procurement must be carried out in accordance with the EU public procurement directives.

- Business practices to meet increasingly demanding market expectations

- Credible trust mark – sustainable quality label enabling brands to demonstrate their commitment to sustainability

www.utzcertified.org
What a frustrating experience...
The Devolved Governments

- Wales pioneered Fair Trade Nation scheme
  - Developed out of partnership between civil society in Wales and WAG
  - Long consideration of criterion
    - Practical need to make qualitative requirements
    - Wanted to work with what was out there
- Scotland joins in and Wales declares 2008
A more hopeful future for SD?
<table>
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<tr>
<th>Welsh Assembly Government</th>
<th>Scottish Government</th>
<th>Scottish Fair Trade Forum</th>
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<tr>
<td>100% of counties/local authorities have active <em>Fair Trade</em> groups working towards <em>Fair Trade</em> status</td>
<td>100 per cent of counties/local authorities have active <em>Fair Trade</em> groups working towards <em>Fair Trade</em> status</td>
<td>100% of Local Authorities have Fair Trade groups working toward <em>Fairtrade Zone</em> status</td>
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<td>55% counties/local authorities with <em>Fair Trade</em> status with 10% annual increase year on year until 100% is reached</td>
<td>55 per cent of local authority areas gain <em>Fair Trade status</em> with 10% annual increase in following years</td>
<td>55% of our Local Authorities having achieved <em>Fairtrade Zone</em> status. In following years, this must increase 10% per year until all 32 are Fairtrade Zones</td>
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<td>100% of cities have <em>Fair Trade</em> status</td>
<td>100 per cent of cities obtain <em>Fair Trade status</em></td>
<td>100% of cities have achieved <em>Fairtrade City status</em></td>
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<td>Minimum 55% of towns have active <em>Fair Trade</em> groups working towards <em>Fair Trade</em> status</td>
<td>A minimum of 55 per cent of towns (Based on GROS figures of towns with population of 5,000 or more at 2001) have active <em>Fair Trade groups</em> working toward <em>Fair Trade</em> status</td>
<td>At least 55% of towns have Fair Trade groups working toward Fairtrade Town status</td>
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<td>60% of Higher Education institutions to have active <em>Fair Trade</em></td>
<td>60 per cent of HE institutions to have active <em>Fair Trade</em> groups working towards Fair Trade status</td>
<td>60% of universities have active Fair Trade groups working toward <em>Fairtrade status</em></td>
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Attract media coverage and organise events to gain popular support. The local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens.

A range of Fairtrade products must be readily available in the area’s shops and served in local cafés and catering establishments.

Fairtrade products must be used by a number of local workplaces, educational establishments, faith communities and other community organisations. A flagship employer is required for populations over 100,000.

Flagship employers are required for populations over 100,000. The composition of your steering group should be representative of your community overall.
Sample Council Motion

The initiative involves a commitment to:

• Widely offer FAIRTRADE Marked food and drink options internally and make them available for internal meetings
• Promote the FAIRTRADE Mark using Fairtrade Foundation materials in refreshment areas and promoting the Fairtrade Towns initiative in internal and communications and external newsletters
• Use influence to urge local retailers to provide Fairtrade options for residents
• Use influence to urge local business to offer Fairtrade options to their staff
• Engage in a media campaign to publicise the Fairtrade Towns initiative
• Allocate responsibility for progression of the Fairtrade Towns initiative to a member or group of staff
• Organise events and publicity during national Fairtrade Fortnight - the annual national campaign to promote sales of products with the FAIRTRADE Mark
Fairtrade Education

- There is a commitment to campaign for increased Fairtrade consumption on campus.

- Fairtrade foods are made available for sale in all campus shops. Fairtrade foods are used in all cafés/restaurants/bars on campus. Where this is not possible, there is a commitment to begin to use Fairtrade foods in these establishments as soon as it becomes possible to do so.

- Fairtrade foods (for example, coffee and tea) are served at all meetings hosted by the university or college and the Student Union (or equivalent), and are served in all university or college and Student Union management offices.
Other Players...

Useful links

Fairtrade Foundation Local Authorities Guide 2010: details on why councils should support fairtrade, simple steps detailing what local councils can do, answers to common questions and useful links and further support.

Fairtrade Foundation Action Guide: step by step guide on how to become a Fairtrade Town

Fairtrade Foundation website: information on the work of the Fairtrade Foundation and how councils can get involved

OGC Guidance on Fair & Ethical Trading

Global is Local

With backing from government increase under government in...
Fairtrade Dominance?
If only I could tell you!

Rain Forest Alliance et al. squeezed out of LA procurement:

‘We always insist that if we are taking on one of these [coffee] machine, that they can provide Fairtrade stuff…I was in the canteen the other day, and it says that it’s not Fairtrade and it’s Rainforest Alliance that we’re buying. And I said no, it’s got to be Fairtrade. The council has an ambition to become a Fairtrade council’

‘because we are a Fairtrade City under the Fairtrade Foundation scheme, we should only be using tea or coffee with the FLO Mark’
Not without some creativity…

Some local authorities are being more ‘reflexive’:

- Specifically, choosing ‘Fair Trade’ in textual projections
- Ensuring Fairtrade MARK hot drinks but thinking more widely for other products
- In one specific example accepting fairly traded goods on reputation of supplier
The Issues

- Is the Fairtrade MARK qualitatively better value for money than other governance in promoting SD to justify specification?
  - Some comparisons say yay! (Summary in Smith 2008)
  - Old problem of statistically representative evidence (Griffiths forthcoming)
  - What about evidence on other marks WFTO accreditation?

- But does/should that matter?

- Fairtrade certification as a barrier to entry in state-led supply chains?
  - Probably not for immediate suppliers in UK
And the ‘first’ are last…

- Acknowledged barriers to entry to FLO certification for some producers at the moment:
  - Availability of standards (product categories, geographically)
  - Cost of compliance (fees and technicalities)
    - And these are obviously necessary!

- Some experimenting with WFTO accreditation
  - But producers concerned how this viewed by consumers?
  - How should consumers view WFTO?

‘sentiments from [X] that probably the COFTA members are not real Fair Trade organisations’
A Methodology for Decision?

At the moment:

‘It’s going to be about who shouts the loudest’
(African Interviewee)

What would Aristotle say?

Is this a defensible rationale through which to incorporate Fair Trade within Public Procurement systems?
Thank the European Procurement Directive I don’t need to decide!

Questions Please!