

Fair Trade and the Moral Obligation it Generates

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Abstract

In this thesis, I explore whether Fair Trade is ‘working’, and if so, if consumers have moral duties to purchase fair trade products? I argue, based on various empirical studies, that Fair Trade has been effective with its major goal of promoting the livelihood of disadvantaged producers. On this premise, and following an act consequentialist moral theory, I further argue that consumers have a duty to purchase Fair Trade products. In response to the comparative objection, that is, what makes purchasing Fair Trade a better alternative to other poverty relief strategies, I argue that it has additional values, namely: avoiding exploitation and prompting non-contributors to contribute.

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Introduction

International trade, it is argued, does not benefit everyone in the world. Many people live in poverty, and do not receive a fair income for their labor. This has led to the emergence of the movement of Fair Trade, which aims to guarantee that producers in the global South receive a fair price that not only reflects a commensurate cost of their production, but also helps achieve a socially and environmentally sound production. Fair Trade can be defined as:

...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)

With regards to the Fair Trade movement, a question that is asked by many but not adequately responded to is: Do consumers have moral obligations to purchase the products of the poor farmer elsewhere? This is the central question of the paper. However, the paper also seeks to answer another separate but related question: is fair trade ‘working’? In a sentence, this thesis is set to ask and attempt to reply to the question/s: Is fair trade ‘working’, and if so, do we have a duty to purchase fair trade products?

The paper will be divided in two parts. The first part which consists of chapter one and two aspires to deal with the first half of the question, that is, whether fair trade is succeeding. In the first chapter, I will present a historical overview of fair trade, from its inception to its present status of mainstreaming. The definition and goals of fair trade will also be briefly presented. The chapter concludes with an important discussion on two contrasting accounts of fair trade.

Researchers of fair trade are divided on their response to the question: is the relationship of fair trade and the global market one of a conflict or is fair trade simply a complementary project aiming for improvements? Some regard it as a temporary measure to be employed where a wider implementation of justice at the global level is lacking (Walton 2010), while the others prefer to think that markets have to be made just by some restructuring and fair trade is here to do this (see Renard 2003). I will argue that fair trade, based on its commonly accepted definition, should be considered as complementary to the global market system.

In chapter two, I go through various empirical researches and case studies to see if fair trade is actually working. This should not be confused with the question can fair trade succeed as a system globally? I will avoid this question as it requires an enormous research on its own and appears to be beyond the scope of this paper. I will rely on fair trade's goals outlined in chapter one to assess if the movement has been able to realize such goals. Among the goals, I will be focusing on the major goal of improving the livelihood of disadvantaged producers. Majority of the impact assessment studies conducted in almost every corner of the world where fair trade operates indicate that the system is actually succeeding particularly in promoting the economic wellbeing of Southern producers.

The second part of the paper asks if we have moral obligations and looks for the basis of consumers' moral obligation to buy fair trade products. I will look in to consequentialist moral theories, particularly act consequentialism. Act-Consequentialism, a major variant of consequentialism, which was popularized by Peter Singer (1972), has been a famous argument with regards to our obligations to the world's poor. The theory claims that the morally right act is

the one that brings about the best possible outcome in terms of the overall good. Such a moral theory is premised on the assumption that since all humans matter equally, the well-being of everyone should have the same moral value. It follows that the morally right act will be the one promoting the well being of every one (Singer 1993:13). The theory is attacked for being excessively demanding and unjust. Consequentialists have responded either by denying the demandingness of the theory or reframing it to blunt the force of its demandingness.

I will discuss two moderate variants of consequentialism which are restructured in an attempt to counter the above criticism: Slote's (1984) Satisficing consequentialism and the Hybrid View (Scheffler 1982). The basic idea of the first is that acts are morally right if they cause good enough consequences. As it is evident from the term satisficing, the theory is based on the idea that rational agents may at times choose to act sub-optimally which means that they pick the 'good enough' alternative instead of the best available (Slote 1984:141). Scheffler's Hybrid View similarly holds that it is not morally incumbent upon agents to always bring about the greatest overall good and they are free to accord higher moral weight to their personal interests compared to the interests of others considered as a whole. Although these sub-maximizing and partial(in the latter case) versions seem to defend the demandingness objection they do worse with regards to the injustice argument, that is, they allow for unjust consequences.

Given the less demanding nature of fair trade obligations, it would not be problematic to employ any of the above theories to come up with a consequentialist defence in favor of fair trade. However, the sub maximizing approaches, particularly the hybrid view, seem to be more defensible than simple act consequentialism. I will argue that what fair trade asks of us is not

demanding and so, we have to purchase fair trade products. In other words, buying fair trade products, I hold, does not preclude an agent from leading a meaningful life and from doing things that matter from a personal perspective.

Finally, I will deal with the comparative objection (Kurjanska and Risse 2008). The basic idea is that if the goals fair trade seeks to achieve could be met by other ways, say donating to aid agencies, then how would a consequentialist maintain a defence for buying fair trade in particular? Since both fair trade and the other alternative mechanisms of poverty reduction have positive direct impact, it has to be shown that, as kurjanska and Risse (2008:45) contend, fair trade is a superior strategy than other alternatives. Only then, it seems, can a defensible consequentialist argument in favor of buying fair trade can be made.

I present, on the last chapter, two separate additional benefits of fair trade over other alternative poverty relief mechanisms. The first is that fair trade avoids the exploitation of those involved while donating to charities, for example, lacks in this regard. Secondly, I argue, following Walton(2012), that purchasing fair trade is better in motivating people to contribute in the same manner than, say, donating to aid agencies.

The paper will make an attempt to place the Fair Trade movement in the context of the consequentialist debate. Although much has been said regarding our moral obligations towards the poor, very few authors have involved the issue of Fair Trade in this discourse. The paper is relevant in that it will not only contribute by framing the issue of consumer moral responsibility with regards to Fair Trade goods but also inspire further philosophical inquiry in the issue of Fair

Trade in relation to individual moral obligations. I will rely on books and other written sources to explore the questions at hand. For the first part, in particular, I will rely on previous researches, case studies and impact assessment studies.

Chapter One

General Overview

1.1. Historical Overview

Today, the Fair Trade movement boasts of bringing together more than a million small-scale producers and workers who are organized in as many as 3,000 organizations in over 50 developing countries, and their products are sold in thousands of Fair Trade shops and supermarkets in the North and elsewhere (WFTO 2011). Before the movement arrived to its present stage, it has traveled, as many authors would agree, a journey of not less than half a century. The origins of fair trade are often referred back to craft shops in the United States, the United Kingdom, and the Netherlands in the middle of the 20th Century (Gendron et al 2009:64). However, fair trade as a social movement appears to have multiple origins which include: the cooperative movement, political movements of solidarity particularly the “solidarity trade”, and the “developmental trade” to mention few (IFAT 2003; Gendron et al 2009:64).

It is argued that the Fair Trade movement can be traced back to the emergence of the co-operative movement in the late nineteenth century Italy and the United Kingdom which aimed to develop a co-operative economy that is integrated from the production to the distribution of products (IFAT 2003). Malservisi and Faubert Mailloux point to the social projects developed by the cooperative movement to explain the origins of Fair Trade: “The founders of the Rochdale Equitable Pioneer Society had already developed the principle of eliminating the excessive profit of intermediaries. They also wished to transform the nature of commercial relations into a way

for the civil society to organize itself while making the citizen-consumer an actor of social change”(cf. Gendron et al 2009:65). Although the beginning of FT could be pointed towards the cooperative movements of the late nineteenth century, such explanations might not adequately capture the starting place of Fair Trade in the form we know it presently.

The charity business of the 1940s could be a better starting place to analyze the origins of FT in its present form. The origins of ‘Alternative Trade’, FT as it was known as back then, can be better traced back to international refugee relief agencies which appeared after World War II such as the Mennonite Central Committee and Oxfam who developed a model of charity business which involved the sale of crafts produced by refugees to fund their relief efforts (Low and Davenport 2006:317). Therefore this idea of financing development projects through the sale of craft products, at the same time aiding communities and refugees in poor countries as well as the needy in the North bears similarities to the ideal of FT as can be recognized today. However, in the beginning, as Low and Davenport (2005:143-53) explain, the link between the sale of the crafts and the beneficiaries of the assistance was absent until the end of the 1950s. “The ‘Charity Trade’ model embodied principles of active religious duty, self-help, and human dignity but did not seek to challenge the social relations of production and consumption” (Low and Davenport 2006:317).

Fair trade can also be traced back to solidarity trade which imported products from politically or economically marginalized developing countries in the 1960s and 1970s, as well as ‘developmental trade’ which was initiated by international development agencies and religious organizations which assisted Southern producers to produce and export their products(Gerdon

et al 2009:65; Low and Davenport 2006:317-318). In this period, new organizations emerged guided by a desire to challenge the injustices of a world trade system that unfairly left the South disadvantaged (Low and Davenport, 2006:318).

Some events such as the advent of the ‘Non-aligned Movement’ which described itself as “neither East nor West”, and the demand by some developing countries for more just rules of trade by claiming that they want ‘Not aid but trade’(which was first made through United Nations Conference for Trade and Development (UNCTAD)) strengthened the movement(Low and Davenport 2006:319). The rise of a form of Alternative Trade resulted in the advent of Southern NGOs which used trade not only as a means to generate income but also to finance community development programs marking a novel approach underlining “the need for poor people to ‘own’ the development process through ‘bottom-up’ strategies” (ibid).NGOs in the south perceived the need for fair marketing organizations which would provide advice and other forms of assistance to disadvantaged producers. Many such Southern Fair Trade Organizations were established, and relations were established with the new organizations in the North (WFTO 2006).

As the demand for Fair Trade increased in the North, this opened opportunities for producers in the South. At the beginning, Fair Trade Organizations traded mostly with handcrafts producers until, in the beginning of the 1970s, Fair Trade Original in the Netherlands imported the first “fairly traded” coffee from Guatemala (WFTO 2006). After coffee, the type of products were expanded to include products like tea, cocoa, sugar, wine, fruit juices, nuts, spices, rice, and the

likes(ibid). Latter, in addition to these food products, other non food products such as flowers and cotton have been added.

1.2. Mainstreaming of Fair Trade

In the late 1980s, Fair Trade shops were becoming more professionalized as a result of an emphasis on commercial activities and through improving the quality and the diversity of products being offered (Gendron et al 2009:66). At the same time different fair trade networks, aiming to expand Fair Trade were created and strengthened. The most important of these are: Fair Trade Labeling Organization International, International Federation of Alternative Trade(now called World Fair Trade Organization), Network of World Shops, and European Fair Trade Association. Through these structured networks, Alternative Trading Organizations from the North and South begun to discuss strategies (Low and Davenport 2006:318). The move in to the mainstream guided by such developments can explain the increase in the volume of Fair Trade goods sold thereby benefiting a larger number of marginalized producers. Apart from this, mainstreaming has allowed for the Fair Trade message to reach a wider audience than Alternative Trade purchasers; and presents an opportunity for Fair Trade practice to have an influence on “mainstream retailer/wholesaler sourcing policies and to become a ‘model’ for all trading relations”(Low and Davenport 2006:319).

An important factor for the success of the mainstreaming of the fair trade movement is usually associated with the establishment of the Fair Trade label. In the 70s and 80s, Fair Trade products were sold to consumers through Fair Trade shops until, in the second half of the 1980s, a new way of selling the products emerged, that is, Fair Trade label (WFTO 2006). The idea was that a

product produced and traded in conformity with Fair Trade conditions would qualify for a label that would make it more visible among ordinary products in shops thereby allowing Fair Trade Organizations as well as any other companies to sell Fair Trade products (WFTO 2006). The first product to be certified was coffee. A group of coffee producers were registered as certified Fair Trade sources and on the other hand businesses were encouraged to become certified importers of the coffee. The number of labeling organizations increased with the types of products that began to be labeled and branded. This presented a great opportunity for Fair trade producers to gain access to the mainstream market (Redfern and Snedker 2002:7).

The emergence of successful Fair Trade labeled products ,argue Low and Davenport, are important factors that made Fair Trade products an attractive “offering for... supermarket chains to stock alongside other ethically labeled products, such as organic foods”(2006:319). The independent certification approach meant that any business could market products with a consumer branded guarantee that the products were really benefiting the farmers at the end of the supply chain(Redfern and Snedker 2002 :7). The simple message that a Fair Trade label reflects is that: “it pays a ‘fair price’ which includes a social premium, fosters long-term relationships between producers and buyers, eliminates the middle man, promotes care for the environment, offers more flexible financial terms to producers including pre-payment and loans, and, perhaps above all, is a ‘high quality’ product” (Low and Davenport 2006:320).

Currently, the organizations that are involved in the Fair Trade movement can be broadly divided in to four groups. The first consist of the producer organizations in developing countries, which supply the products and the second group is made up of the buying organizations in developed countries which import, wholesale and retail those products(Moore 2004:74). The third group

consists of a group of organizations which are considered to be the major bodies of the movement. These include,(some of which are mentioned already in preceding discussions): The World Fair Trade Organization(previously known as IFAT), a worldwide membership organization that brings together both producers and buyers; FLO-the worldwide Fair Trade standard setting and certification organization; Network of European World Shops(NEWS),which serves as a leading body for the “world shops” that mainly sell Fair Trade products in Europe; European Fair Trade Association(EFTA)- an association of twelve importing organizations in nine European countries; Fair Trade Federation which is an association of fair trade wholesalers, retailers and producers which promotes labeled products; and finally Shared Interest which provides trade finance to Fair Trade movement(see Moore:74-76). The last and fourth group consists of conventional organizations such as supermarkets and stores which in some way involve in Fair Trade.

1.3. Defining Fair Trade

Fair Trade has been defined in varying ways by various bodies since its emergence arguably in the 1940s. A widely accepted and more comprehensive definition (and which will also be used for the purpose of this paper) is the definition by FINE¹. Fair Trade can be defined as:

...a trading partnership, based on dialogue, transparency and respect, which 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

¹ FINE is a network that involves the Fairtrade Labeling Organizations International (FLO), the International Federation for Alternative Trade (IFAT), the Network of European Shops and the European Fair Trade Association (EFTA).

engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade (FINE 2001)

From this definition, one can generally note the following to be the goals of Fair Trade (Redfern and Snedker 2002:11):

1. To improve the livelihoods and well-being of producers by improving market access, strengthening producer organizations, paying a better price and providing continuity in the trading relationship.
2. To promote development opportunities for disadvantaged producers, especially women and indigenous people, and to protect children from exploitation in the production process.
3. To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively.
4. To set an example of partnership in trade through dialogue, transparency and respect.
5. To campaign for changes in the rules and practice of conventional international trade.
6. To protect human rights by promoting social justice, sound environmental practices and economic security.

This list of goals seem to emphasize on two broader goals, namely, the promotion of economic development (mainly of Southern producers), and partnership in trade of the former with consumers, particularly Northern consumers.

Alleviating poverty in the global south and improving producers' livelihoods is Fair Trade's major developmental goal. Fair Trade organizations offer assistance to producers such as credit, capacity building training, and product development support (Redfern and Snedker 2002:12).

The payment of a premium to the producer to be used for the benefit of the community is another important feature in this regard (Oxford Policy Management 2000:10). In addition, risk sharing is one peculiar feature of fair trade. Since entering in to trade requires poor producers to invest a large amount of the capital they have, producers risk losing their assets as there is no guarantee of return. In Fair Trade, it is assumed that, buyers make sure that this risk is shared as support services(that is, a pre-export finance, often 50 or 60 percent of the final value of the order) are

provided to producers(ibid). These and similar devices are employed to further the development and poverty reduction goal of Fair trade and thereby to improve farmers' livelihoods through better housing and education opportunities, debt reduction, improvement of food security and the likes(see Jaffee 2011, Raynolds 2002).

The other broader goal pertains to the promotion of partnership. It appears that the relation between buyers and sellers is more than a business relationship which places producers as primary stakeholders. The ten principles prescribed by the WFTO that Fair Trade organizations must follow make this more-than-a- business relationship more clear. The principles include: creating opportunities for economically disadvantaged producers; transparency and accountability²; fair trading practices; payment of a fair price; ensuring no child labor and forced labor; commitment to non discrimination, gender equity and freedom of association; ensuring good working conditions; providing capacity building; promoting fair trade; respect for the environment (WFTO 2011).

Among these standards, the payment of fair price is worth briefly mentioning here. The idea of fair price can be explained mainly by the guaranteed minimum price(apart from the additional premium payment³).The process starts when the Fair Trade Labeling organization(FLO) sets a minimum price after researching on producers' cost of production and after having consulted with stakeholders such as traders(see FLO, The Fair Trade Minimum Price).The minimum price

² This implies that the organization is transparent in its management and commercial relations and that it is accountable to all its stakeholders (WFTO 2011).

³ The premium payment, which is also set by FLO, is a sum of money that producers receive apart from the agreed price of their products. This payment is usually spent, upon the decision of members of the producers' group, on social development projects such as education, health care and the enhancement of the farmers' production mechanism(see FLO, The Fair Trade Premium).

is not supposed to be a fixed price but is considered as “the lowest possible starting point” at which price negotiation starts from; and since the aim is to ensure that a producer’s cost of production is covered by the returns, such a mechanism serves as a “safety net” for producers when world market prices fall down excessively, that is, below production cost (ibid). Therefore, the minimum price at least guarantees that a farmer receives a sustainable price which makes the payment ‘fair’.

The standards mentioned above, not only ensure that there exists a healthy partnership between consumers and producers but also distinguish it from conventional market partnerships owing to Fair Trade’s distinctive relational nature. Through its guiding principles, Fair Trade narrows the space between the consumer and the producer in that despite the physical distance, the latter’s “living conditions are known to the consumer” (Ballet and Carimentrand 2010:319). Consumers do not only consume for themselves, they also contribute directly to the promotion of the livelihood of a producer and the development of a community in a certain developing country. This *relational ethics*, as Ballet and Carimentrand (2010:319) call it, “reduces the physical, psychological and cultural distances separating the Northern consumer from the Southern producer”.

1.4. Differing accounts of FT: complementary or conflicting with the market system

It could be understood from the definition of Fair Trade and its goals presented in the preceding subsection that Fair trade could be said to have two aspirations. The first is to provide a working model of international trade that makes a difference to the parties (consumers and producers) that

are involved (Moore 2004:73; Walton 2010:434). The second is to challenge orthodoxy in commerce by serving as a “tool for modifying the dominant economic model” (Renard 2003: 91; Moore 2004:74; Walton 2010:434). The question, as Jaffee, puts it is “whether fair trade functions principally within the logic of global capitalism or whether it presents a distinct challenge to that system”(2011:96). In other words, is the relationship of fair trade and the global market one of a conflict or is fair trade simply a complementary project aiming for improvements in the existing system?

In the first view, Fair Trade is regarded as a temporary measure to be employed where a wider implementation of justice at the global level is lacking (the *interim view* as Walton(2010) calls it). This view suggests that, Fair Trade be assumed as a project seeking to correct for the fault and make amends in the existing market system (Walton 2010:434). Walton writes that Fair Trade is: “...an interim corrective establishing just trade relations between persons living in a non-ideal world, necessary only until justice is realized in the wider context”. The vision of fair trade is considered, here, to be that of countering and improving some features of the market that are harsh to southern farmers and producers.

The second view assumes that markets have to be made just by some restructuring and fair trade is here to do this (Walton 2010:434-435). In other words, this latter view suggests that the aim of Fair Trade is to act as a pure alternative to the conventional market in a bid to achieve global market justice. Proponents of this view envision fair trade as “a more holistic, more transformative economic social movement” that aspires to completely reform the existing global market system (Jaffee 2011:98). Jaffee notes that fair trade is regarded as:

A means of radically transforming the global capitalist economy, altering the basic functioning of international trade and moving toward a genuinely equitable global economy (2011:97).

It appears that proponents of this view assume fair trade as an attempt to come with an alternative model that replaces the current system with a new world order.

One can note that both views about the aims of fair trade are premised on a quest for fairer trade. However, it is worth examining, in light of fair trade's agendas, if fair trade and fairer trade are interchangeable, and if fair trade's dreams are really that of a global market justice. In this regard, I find the interim account (Walton 2010) to be more agreeable than the rather radical complete ideal account that portrays fair trade as a radical agent of change in global market justice. The tools used by Fair Trade, I agree, do not seem to be ones employed to achieve a grand agenda of just global arrangement. This can be understood from the wording of the commonly accepted definition of Fair Trade presented earlier which propounds that Fair Trade seeks 'greater equity in international trade' and 'better trading conditions'. Although one can sense a critical tone against the current system of trade in this statement, it would not be plausible to claim that the statement suggests to the fact that the market system should be supplanted by a whole new order. The definition also indicates that fair trade organizations campaign "for changes in the rules and practice of conventional international trade" which implies that the aim is to introduce changes in the existing system and not to replace it with a completely new institution.

Although fair trade might not be an absolute requirement for a just global arrangement, I believe the injustice in the existing system makes it an appropriate intervention as a standard of just arrangement. As pointed out earlier, the fair trade movement stands as a critic in particular against the conventional global agricultural system. As Raynolds(2010:306) rightly notes, fair trade challenges capitalist market principles “that devalue natural and human resources...and strive to build new trade links for commodities in which these resources are revalued”. Aiming at the transformation of production conditions by setting social standards and “creating more equitable and sustainable relations of exchange and production”, the fair trade movement challenges the conventional system. It would be fair to say that fair trade aims, by acting within the existing market system, to reduce the suffering caused by the system particularly to Southern producers.

It would be helpful, I agree with Chandler (2011:256), to understand that fair trade does not promise “a full and complete answer to all economic justice issues”. However the tools used by fair trade, namely, :the attempt to establish direct trade relations and pre-financing to avoid the exploitation by intermediaries; long-term contracts aiming to reduce the instability of the wellbeing and livelihood of producers; the setting of a guaranteed minimum price, the attention for human rights protection of producers and workers in the fair trade system, the payment of additional premiums to producers which are used for business and community development projects...(see, for example, Raynolds et al 2004,Walton 2010, Ruben et al 2008) and other similar mechanism point to the regard fair trade attaches to attaining economic justice. These features of fair trade would, I believe, make it an adjunct program to the market system aspiring to lessen the harshness towards southern producers of the market. Fair trade, I assume, in the

words of Nicholls and Opal, is a “development tool that uses existing capitalist supply chains to return more income to producers”(cf. Jafee 2011:89).

It appears logical, therefore, to understand Fair Trade as temporary measure of interim market justice which view explains “the market-critical stance of Fair Trade and provides an account of the assistance it offers producers” (Walton 2010:435). It will be in this complementary sense that I would be arguing in the next chapter, that fair trade is ‘working’.

Chapter Two

Is fair Trade working?

In 2002, Oxfam reported that 25 million coffee farmers were in crisis as the price of coffee plummeted by almost 50 percent and developing country coffee farmers were forced to sell their coffee below production cost (Oxfam 2002:3). This grim situation led many poor producers to go bankrupt and be forced to migrate while those that decided to stay were bogged in extreme poverty. The report deplored that “families dependent on the money generated by coffee are pulling their children...out of school” and that they were no longer in a position to “afford basic medicines, and are cutting back on food”(Oxfam 2002:2). As indicated earlier in the definition of fair trade, it aims to counter such crisis by “offering better trading conditions to, and securing the rights of, disadvantaged producers and workers, especially in the South (FINE 2001). Jaffee(2011:88),in this regard, eloquently describes fair trade as :

A device for ameliorating severe rural poverty in the global south, as well as achieving other essential livelihood improvements denied to small farmers by the inequitable terms of global trade, such as debt reduction, food security, better housing conditions and greater educational opportunities.

The question that remains is whether fair trade has been effective in achieving its goals so far. In this chapter I will take a brief journey into existing empirical research by specifically focusing on fair trade’s goal of improving the wellbeing of the disadvantaged producer. Latter, I will present some objections and challenges associated with this goal of FT.

Various researches and case studies support the idea that fair trade brings about tangible economic benefits to producers in the south. Most of the studies reveal the following actual benefits accruing to producers involved in fair trade: improved income for producers, increased food security, decrease in rate of indebtedness and improved creditworthiness, improved housing and higher rate of education, diversification of income sources ; Improvements to facilities and equipment,; improvement in product quality, and in general improved economic stability(Nelson and Pound 2009:8, see also Jaffee 2007,2011; Ruben et al 2008).Similarly many others have confirmed the positive empowerment impact of fair trade. Particularly, this relates to the improved market knowledge and negotiating skills, that is, the understanding of producers about how markets operate and their ability to participate in different international markets has shown a remarkable increase (Nelson and Pound 2009:23). In this regard, the impact of FT has been obvious in the area of strengthening of producer groups and their bargaining power “through capacity building, organizational development and marketing support”(ibid).

Higher and more stable incomes from Fair Trade sales, compared to sales to conventional markets, have immensely contributed to the improvement in well being of southern producers (Raynolds et al 2004:1118, Nelson and Pound 2009:7). An important achievement of FT with regards to individual households is the securing of prices that, in the minimum, cover the costs of production even when world market prices go down (FLO, “Benefits of Fair Trade”). The Fair Trade guaranteed minimum price particularly ensures that producers are not exposed to migration and other hardships as a result of sales below production costs (Nelson and Pound 2009:8). Some studies suggest that such guaranteed minimum price that producers receive means

“more stable incomes and is consequently one of the most important direct benefits that accrue to producers” (Nelson and Pound 2009:7). Moreover, some studies not only indicated that producers get a price that covers their production cost, but also earn two to three times more than the price at local markets(Raynolds et al 2004:1118).

2.1. Does Fair Trade keep producers poor

Despite the tangible economic benefits that southern producers are receiving by involving fair trade, critics contend that Fair trade does not really aid the economic development of these producers. A major concern of critics is that Fair trade “locks poor people into agriculture, producing the same crops”(Rohac,2012). Instead of helping achieve economic stability, Sidwell (2008:3) for example argues, “fair trade keeps the poor in their place, sustaining uncompetitive farmers on their land and holding back diversification, mechanization, and moves up the value chain” thereby denying the coming generations’ chance of “a better life”. He claims that it is the assumption of fair trade that poor farmers always stay as farmers in a way robbing them of the possibility of bettering their lives. Producers are encouraged to do farming and other means of production in the old ways and they are not encouraged to come up with new ways of production or new sources of income. Similarly Leclaire argues that the increase in the price of fair trade products, most of which happen to be traditional agricultural produces, “provides an incentive for individuals to continue to market these products, regardless of the relatively poor economic prospects of producing these goods in the long-term” (2002:955).

Although these criticisms cannot be out rightly ignored, it appears that what various empirical researches indicate sheds some doubt on such generalizing objections against fair trade. It

appears that not only does the higher and more stable incomes for Fair Trade producers contribute to improvement in the wellbeing of the producers and their families, the Premium also helps these producers get better lives. Producers usually invest the premium, which is paid on top of the agreed Fair trade price, to improve education and healthcare services in their communities, as well as to upgrade their farm and processing facilities (see FLO, Meet the Producers).

The investment of incomes and premium in the improvement of education, as various researches indicate, has become a common practice by southern producers with a view to improve the quality of the lives of the coming generation (see Nelson and Pound 2009; Raynolds 2002). Some researches conducted on a range of cooperatives and producer groups have noted that producers are “purchasing additional school supplies, allowing their children to remain in school during the coffee harvest and even supporting additional years of schooling” (Raynolds et al 2004:1118). Producer groups are constructing buildings where the community meets and discusses the future of their children. From this discussions result such inspiring measures as giving stipends to children who perform well in school and producers hope that their children “can grow up and work in the city, instead of have the hard life of the farmer”(FLO, Meet the Producers). Such long term investments as education, thus, help the next generation to have other options than remaining producers of primary goods.

Producers tell stories that instead of being forced to migrate, “they are able to stay on their land and invest in their farm enterprises—in replanting, soil improvement, household food production, animal husbandry and farm equipment” (ibid). Although fair trade could be said to

have done a great job in saving otherwise migrating families by keeping them in their farm businesses, it is also the case that producers diversify their products and move up in to higher value processing. Crowther (2012) explains that:

farmers have used premiums to establish revolving loan schemes, credit unions and diversification projects, such as the Indian cashew or Sri Lankan tea growers who now also produce and sell rubber and spices, the Caribbean banana farmers who now own their own fruit processing plant or the Paraguayan Fair trade sugar producers who have invested in building their own mill.

Diversification of products as well as developing processing plants by southern producers is, therefore, an encouraging sign that producers would not be locked in primitive ways of farming and producing the same crops.

The objection that fair trade producers are stuck with traditional products also seems to overlook other non monetary values associated with the production of this goods, particularly the preservation of cultures. Fair Trade, Leclaire notes, contributes to the preservation of traditional products such as handicrafts and related products which could be “undervalued by the acceleration of global free trade” (2002:955). Expecting indigenous producers to abandon such traditional goods and emphasize only those goods which accrue higher profit, would be unfair from the vantage point of cultural preservation. Fair trade, thus, encourages the production of these goods at the same time opening doors for the modernization of the modes of production. This way, it makes sure that culture is preserved and mechanization is promoted. This role of FT might not be assessed in economic or pecuniary terms alone but it brings immense benefits to some southern producers.

2.2. Do producers benefit from the amount that trickles?

Another criticism relates to the amount of money that producers actually receive at the end of the transaction. It is argued that farmers in developing countries receive not more than 10 percent of the price of a fair trade product or the premium payment (Mohan 2010:52). Others even bring this figure down and further contend that the lion's share of the premium prices paid by consumers are used to fund FT's promotional and marketing operation⁴ (Rohac 2012).

Although this figure could be arguable, it appears that producers receive a proportion of the fair trade price which is not surprising. This can be explained by the fact that there are some deductions "for organizational, production or processing costs or improvements, for social and environmental programs, and for servicing debt payments" (Nelson and Pound 2009:9). These expenditures are, one way or another, necessary to sustain the goals of fair trade, namely the disadvantaged producer. For example, part of the income which is spent on promoting fair trade is justified in that it is necessary that northern consumers are aware of fair trade and its goals so that they buy these products thereby helping the southern producer get out of poverty. In addition, the proportion of the price that goes to the producers' organization is usually used to

⁴ These criticisms only emphasize on the percentage that trickles down to producers and do not care to prove a point of comparison with what non fair trade producers of the same products receive at the end of the transaction. To prove that Fair Trade is a less method of resource transfer, it requires an extensive cost-benefit comparison. However, it appears that such a research has not been conducted by critics mainly owing to the complexity of undertaking such a research and the evidence to back such a claim is nonexistent (see Smith 2008:30). Nonetheless, what can be roughly understood from the case studies consulted for this section is that fair traded goods actually bring higher amount in comparison to the non fair traded ones.

scale up processing capacity which contributes to the improvement of the quality and value of the product exported thereby increasing competitiveness and price(ibid). The capitalization fund used at the level of producer organizations thus has an indirect and long term benefit for the producers themselves.

The important question, in this regard, I believe should be whether or not the poor farmers have received a fair price taking in to account the cost of production and the contribution to their well being. The aim of fair trade is to enhance the actual amount that reaches the producer. The additional premium that farmers receive for the sale of their products is one mechanism to make sure that the value they receive is increased (see Crowther 2012). This additional payment to producers, as various impact assessment case studies show, is spent on various projects which directly and indirectly enhance the livelihood of these producers; their families and the community at large (see Raynolds 2002, Ruben et al 2008). It appears, generally, that, although part of the sales income goes to retailers or producer organizations and could be spent as a capitalization fund, the value producers receive is fair enough to promote their livelihoods.

2.3. Does Fair Trade favor the relatively rich?

Another criticism associated with the fair trade movement is that it does not really focus on the poor, but instead on the relatively well to do. Sidwell, for example, argues that “most of the farmers helped by Fair trade are in Mexico, a relatively developed country, and not in places like Ethiopia(2008: 3). Such allegations, first, simply contradict with what some report findings indicate, and second, even if true, do not come in conflict with the goals of fair trade. The latest report of fair trade international reads:

58 percent of all farmers and workers within the Fair trade system lived in Africa. Latin America and the Caribbean accounted for 25 percent of all farmers and workers within the Fairtrade system, and Asia and Oceania for 17 percent (FLO, 2011:17).

Fairtrade Foundation further claimed that “the largest numbers of smallholders in the Fair trade system are in Tanzania, Kenya, Ethiopia and Ghana” and that Fair trade is expanding its program “in some of the poorest countries of the world including Afghanistan, Cote d’Ivoire, Malawi or Democratic Republic of Congo”(Crowther 2012). Nevertheless, the fact that fair trade also extensively operates in middle income countries does not mean that it is not targeting poor producers. In fact, researches show that it is only a quarter of the world’s poor that live in the least developed countries while the rest three quarters live in relatively stable and middle income countries(Summer 2010:1). Therefore, as the goal is to promote the wellbeing of the disadvantaged and poor producer, Fair trade’s targets are all countries where such producers exist.

A related objection could be that Fair Trade helps not the poorest in the same country, that is, not the worst-off in Ghana but focuses on those Ghanaians not as worse off. However, it appears that, in the first place, all producers are welcome to get involved in fair trade programs given that they meet the standards and principles. However, the claim that non fair trade producers potentially

earn less if they are not able to participate in fair trade(see Sidwell 2008) does seem to be based on a simple economic theory(Smith 2008:24-27). Although, as more producers sell certified goods and the supply of conventional products decreases as a result causing a price increase, it does imply that “independent producers do not lose out as the simpler version of the theory

concludes”(ibid). Smith (2008:25) further claims that “there is substantial credible evidence that the alternative policy of universal liberalization has left many hundreds of thousands of people in the developing world poorer” than before reforms like fair trade emerged. Generally, this objection is not only based on non credible research but also overlooks the fact that the major aim of fair trade is to bail out the disadvantaged producer in any given society, which particularly includes the worst off.

2.4. Conclusion

The concern of this section has not been to evaluate if fair trade has managed to alleviate poverty at the general level and bring about long term economic development which I believe is a question of wider scope. Instead, an attempt was made to briefly assess if fair trade is achieving its primary goal of freeing poor farmers out of their poverty. The question “is fair trade working?” with regards to this specific goal is itself not an easy question to answer as one would risk making a generalized assessment. However, one could observe that the majority of researches and impact studies conducted in this area speak with the same voice-that fair trade has a significant positive impact in the lives of poor farmers in the least developed and middle income countries where the studies have been conducted.

Poor farmers in developing countries are getting higher and more stable income than before and this has translated in to a marked improvement in their living standards. Fair trade has played significant role by helping producers manufacture their good and effectively participate in global markets. Consumers, mainly in the North, who are crucial partners in the fair trade operation,

contribute by purchasing these products at a price a bit higher than the market price. This additional money, as can be observed from multiple case studies from every corner of the world, brings about economic and material improvement as well as significant empowerment of producers and development of their communities.

However, this should not imply that fair trade is a complete success story. Despite its relative success in improving the living standards of the world's poor producers, it has some challenges to tackle in front of it. One challenge is to expand the number of producers in the fair trade system which is currently limited to a little over a million globally⁵. Similarly, although fair trade products have attained a reasonably fair level of diversification, the success of fair trade needs to also be replicated in other sectors apart from the food sector. In addition, despite the encouraging attempts to increase the value that is received by producers, more strategies might be required to further ensure that higher proportion of product sales and premium payments trickles down to Southern producers than currently happens. In relation to this, stimulating public demand for fair trade goods is also another challenge. It might also be added that the efficiency of fair trade could be boosted if multinational companies move to sponsor fair trade. If such big companies include the sponsoring of fair trade in their corporate social responsibility agendas, it is more likely that the present success of fair trade would be significantly expanded. Nevertheless, taking in to account the positive impact of fair trade in the livelihood of producers, it would be fair, I assume, to conclude that it is working at least with respect to its primary goal of promoting the disadvantaged, poor farmer of the third world.

⁵ The latest report of fair Trade international estimates the total number of farmers, producers and workers benefiting from fair trade to be 1.2 million by 2011(FLO 2011:13).

Given that Fair trade is a generally working system particularly with regards to ameliorating the livelihoods of farmers and producers in the global south, and that it heavily relies on the purchase of these fair trade products by northern consumers; a question worth exploring would be whether consumers have a moral obligation to buy fair trade products. The next part of the thesis deals with this question, and an attempt will be made to explore whether fair trade generates moral obligation towards consumers.

Chapter Three

Act Consequentialism: A General Discussion

Consequentialism, an influential moral theory since the 19th century, is based on the thought that “X” is right if it best promotes the good (see Mulgan 2001:133; 2007:1). Among various forms of consequentialism, the concern of this chapter will be act consequentialism which claims that an act is right if it is the one with the best consequences. However, being itself one among many forms of consequentialism, act consequentialism also has various versions. I will make an attempt to briefly discuss the core of these versions in order to explore which type best supports a consequentialist defence of fair trade. My task in subsequent chapters will then be to see whether consumers’ obligation to buy fair trade products could find a moral basis in such consequentialist moral theory.

3.1. Simple Act Consequentialism

Act-Consequentialism, a major variant of Consequentialism, which was popularized by philosophers such as Peter Singer (1972) and Peter Unger (1996)⁶, has been a famous argument with regards to our obligations to the world’s poor. The theory claims that the morally right act is the one that brings about the best possible outcome in terms of the overall good and that morality exclusively concerns bringing about the best overall outcome. Such a moral theory is premised

⁶ Singer and Unger are particularly famous for dealing with negative consequentialism which suggests that we ought to minimize suffering by offering our assistance to those in need (see Singer 1972, 2009; Unger 1996).

on the assumption that since all humans matter equally, the well-being of everyone should have the same moral value. It follows that the morally right act will be the one promoting the wellbeing of every one (Singer 1993:13)

Before outlining his basic argument, that is the principle of beneficence, Singer comes up with a hypothetical scenario in which an agent is required to make a sacrifice to save somebody else's life. Imagine you are passing by a pond and you notice that a little helpless toddler is about to drown. It is likely that he drowns not only because he is unable to keep his head above water but also because there is no one around to save him. You can jump in the pond and save the child but only at the expense of ruining your new shoes, muddying your cloth and eventually being late for work (Singer 2009:3). At an attempt to further exemplify, Singer borrows Unger's (1996) modified version of the drowning child story where a man is confronted to choose between saving his 'rare and valuable' car and a child's life (unrelated to him). In this hypothetical case, If Bob chooses to click a switch, he can divert the route of a speeding runaway train towards the direction of his expensive car (which will certainly destroy his car) and as a result save the child who happens to be on the rails and would otherwise be killed by the train (cf. Singer 2009:14).

Most people would, both Unger and Singer argue, if put in this man's place in the above circumstances; choose to save the child at the expense of the material loss they would sustain. Singer quickly takes this to imply that when people are made to think in such real and tangible terms, they assume that they must lend their hands to "lessen the serious suffering of innocent others" despite of the high cost involved (Singer 2009:15). Such examples and people's responses indicate, according to Singer, that we intuitively believe that we ought to reach out for those in need particularly when they are visible or close to us and when we are the only ones able to help(ibid). Instead of relying on our intuitions, which at times are not worthy of depending on,

the way we consider moral issues and our way of life needs to be changed (see Singer, 1972, 2009). Singer presents the following three premise argument and suggests that such should be the basis when considering moral issues in relation to those living in dire poverty.

First Premise: Suffering and death from lack of food, shelter, and medical care are bad.

Second premise: If it is in your power to prevent something bad from happening, without sacrificing anything nearly as important, it is wrong not to do so.

Third premise: By donating to aid agencies you can prevent suffering and death from lack of food, shelter, and medical care, without sacrificing anything nearly as important

Conclusion: Therefore, if you do not donate to aid agencies, you are doing something wrong (Singer 2009:15).

The first and third premises might not attract much as much objection as they can be considered as universally held truths, in the first case, and an empirical claim in the third one (which I will return to at the end of this chapter). However, the second premise seems to make a strong moral claim which might well be a source of disagreement among commentators. In his initial proposal (1972:231), Singer had included a qualified version of this premise where one is required to prevent the occurrence of something bad if the act does not involve sacrificing something which is “morally significant” as opposed to “anything nearly as important” (Singer 2009) or “anything of comparable moral importance” (Singer 1972) which seem to imply a more stringent a requirement than the former.

An important element worth mentioning in relation to Singer’s principle of beneficence is that it does not take in to account distance between the recipient and the helper. In other words, the fact that a person is geographically close should not be reason enough to help her instead of somebody else situated far away. This can be illustrated in that there should not be any difference in moral obligation between the acts of saving a drowning child near us and a child

that is dying from hunger or disease, say, somewhere in sub-Saharan Africa. Impartiality, it appears, is thus an important requirement of Act Consequentialism as we are not supposed to prioritize our wellbeing, or that of a close person's wellbeing, before a stranger living elsewhere.

In general, the point that Singer's Classical act Consequentialism makes is that: as much as we have to save a drowning child at a cost to ourselves, we have to save those living under extreme poverty out there even at a considerable risk to ourselves. Such consequentialist agenda of promoting the overall wellbeing has to be conducted by devoting our available resources, and as Singer suggests, by even working fulltime (see Singer 1972:238). It follows that we ought to preclude suffering and death in as much as doing so does not make our lives as bad as those we want to save.

Act consequentialism is attacked as being too demanding. Mulgan, among others, claims that the act-consequentialist theory is unreasonably demanding (2001:4). Such objection assumes that any moral theory which has counterintuitive implications like act-Consequentialism cannot simply be plausible so long as it is not coherent with our basic moral convictions (Murphy 2000:15; Hooker 2009:149). The objection, traditionally posed against utilitarianism, is eloquently presented by commentators like Richard Brandt who argued that it "makes extreme and oppressive demands on the individual, so much so that it can hardly be taken seriously; like the sermon on the Mount, it is a morality only for saints"(cf. Murphy 2000:9-10). Promoting over all welfare, as demanded by consequentialism, involves the promotion of well being by the use of one's energy, time and other resources to help those in need to a point where an agent's situation almost resembles that of the former. In terms of poverty alleviation, a person is expected to maximize overall wellbeing by using all of his resources, with the exception of his

basic necessities and resources necessary for income generation, to save as many lives as possible.

It obviously follows from preceding discussion that simple act consequentialism does not allow supererogatory acts⁷(those acts which are good to do but are not morally wrong no to do) because the former regards any act which does not cause the best possible outcome as morally wrong thereby implicitly rejecting supererogation. It appears, then, that as much as acts which promote overall good are morally required and right, those which fall below this, that is, those failing to maximize overall good, are morally wrong. Although an agent produces good consequences, say in saving lives from extreme poverty, he has not done enough unless he maximizes the good and saves as many lives as he possibly could.

A related objection against the consequentialist account is the integrity or alienation objection⁸. Since consequentialism requires an agent to take account of others' wellbeing as much as his', the objection holds, it undermines the integrity of the agents life (Mulgan 2001:15).It is unthinkable, Williams would argue, that an agent can view her life from an impersonal perspective as required by consequentialism and promote one's life at the same time(cf. Mulgan 2001:15). As an agent takes such an impersonal perspective of her life, it happens that one will be alienated from ones' own life by ignoring ones personal point of view(Railton:134). Act Consequentialism overlooks the moral relevance of personal projects and relations and so an agent's life could be rendered meaningless and changed to the extent that an outsider would not

⁷ See ,for example, Kagan(1984) for a detailed discussion of the issue of supererogation

⁸ The demandingness objection slightly differs from the integrity objection in that an agent is not only required to sacrifice her resources she could have used for her own projects as the former underlines but also that she is required to abandon the projects. The argument thus holds that consequentialism makes such demands because it overlooks the "moral significance of integrity"(Mulgan 2001:16).

perceive the agent's life as characteristically hers or his (Mulgan 2001:15-16). Simply put, act consequentialism undermines an agent's integrity by alienating her from the pursuit of her or relative's projects and personal commitments.

Consequentialists respond to the demandingness objection (and its variants discussed above) by employing different strategies. The extremists, as Mulgan (2001) calls them, prefer to argue that the consequentialist demand cannot be unreasonable⁹. Others argue that, in practice, consequentialism does not make unreasonable or great demands (see Mulgan 2001:31-37). The other strategy, on which I will dwell for a while but only providing sketchy accounts, attempts to reframe act Consequentialism in an attempt to reduce the force of demandingness objection.

3.2. Satisficing Consequentialism (SC)

One such attempt to restructure consequentialism is the notion of satisficing consequentialism¹⁰(Slote 1984). One aspect of consequentialism's demandingness is that it requires the highest achievable or best outcome and thus is marked by a maximizing principle of beneficence. Slote's

⁹ This group consists of Peter Singer (1993), Kelly Kagan (1989) and Peter Unger (1996). Singer, for example, defends his position by arguing that had people been well informed, been able to clearly reason, and could put themselves in the shoes of the starving, they would not consider the demands of consequentialism as demanding(cf. Mulgan, 2001:28).

¹⁰ Progressive consequentialism(PC)(Elliot and Jamieson 2009), a similar variant, also shares a lot in common with SC in that both do not require that we do as much as we possibly can to promote overall good and allow us to use part of our resources to further our personal projects that do not maximize overall welfare. PC holds that an action is morally right as long as its consequences improve the world and thus agents are required to "act in such a way as to increase value in the world"(Elliot and Jamieson 2009:244). The difference between SC and PC is not very clear. PC proponents claim that the way Satisficing Consequentialism identifies what is 'good enough' is ad hoc while PC is not so "since the improvement criterion is natural and clear"(ibid). I will limit myself from engaging in to further explanation as I do not plan to invoke PC in subsequent discussions.

version aims to lessen the demandingness of consequentialism by creating analogy between consequentialist morality and economic morality (see Slote 1984). In economic terms, satisficing is when an agent chooses what is good enough without waiting to take the best available alternative. A person selling his car, for example, may be content with a less than the best price offer, although it is possible that he could get a better offer. Similarly a moral agent may choose what is good enough “without regard for whether what they have chosen is the best thing (outcome) available in the circumstances” (Mulgan 1993:121).

The basic idea of this version of Consequentialism is that acts are morally right if they cause good enough consequences. In the same manner as a rational person could fail to maximize expected utility but perform an action that is perfectly rational, Slote holds that one could choose an action that is not optimal but justifiable morally (Slote 1984:148). In other words, unlike act-Consequentialism which regards suboptimal overall outcome as morally wrong, the theory at hand accepts that an act of benevolence is morally justified even if suboptimal in terms of overall goodness. It appears that Satisficing Consequentialism recognizes supererogatory acts as it acknowledges that certain acts are good to do but not morally required. Thus, if a man donated to, say, Oxfam, an amount of money which is ‘good enough’, such is morally acceptable even if he still has the capacity to give more.

This version has also attracted objections which claim that satisficing consequentialism could be overly demanding or under demanding. Mulgan argues that however we interpreted ‘good enough’; we end up doing some sort of injustice (see Mulgan 2007:135). An individual could assume an outcome to be good enough overall only if it is good enough for each affected person,

while on a collective interpretation, an outcome is good enough overall despite the fact that there are some individuals for whom the result is less than good enough (ibid). To illustrate this, imagine that an agent donates \$1000 to Oxfam and saves 50 lives from extreme poverty. Based on the individual's interpretation, such is not good enough since the agent has to save every one irrespective of the cost to himself which is clearly overly demanding. The man would also be justified, in the eyes of SC, for doing good enough if he saves 50 lives when he is actually capable of saving double or triple that figure without sustaining additional cost to himself¹¹. It appears that SC gives an agent the freedom to choose among a set of morally acceptable acts, but at the risk of being either unreasonably demanding or ending up with unacceptable consequences.

3.3. The Hybrid View

Another important attempt to restructure act consequentialism in a bid to counter the demandingness objection is the one proposed by Scheffler (1982, 1986, 1992) which is commonly known as the 'hybrid view'. This view, which is based on the notion of an agent-centered prerogative, seeks a middle ground between consequentialism and common-sense morality by allowing an agent to devote efforts to personal projects, relationships and activities although such would mean causing a suboptimal overall outcome in terms of

¹¹ This illustration reflects a milder criticism compared to the trolley case objection explained by Mulgan (2007:136-137). In this case, the options available to save ten people on a speeding trolley are: throwing a big sand bag to stop it and save all ten, throwing a lighter sand bag and save eight, and throwing a person, Bob, and save all but Bob dies. The problem is that SC would allow all the options including the one where Bob dies since it could be regarded as 'good enough'.

impartiality(Scheffler 1982:5,20;Mulgan 2007:138).It is not morally incumbent upon agents to always bring about the greatest overall good and they are free to accord proportionately higher weight to their personal interests compared to the interests of other people. Thus this agent-centered version allows for supererogatory acts as it considers it “permissible to do what would produce the best possible over all state of affairs” but also prescribing that an agent “need not do what would always produce the best outcome”(Mulgan 2007:138).

Although it appears that the hybrid view blunts the force of the demandingness objection by avoiding impartiality and allowing agents to take acts producing less than optimal results, the proposal fails to defeat the injustice objection, that is, it prioritizes personal projects at the expense of causing harm to others. It would help to reproduce here Mulgan’s (2007:138) ‘inheritance case’ to clarify on what grounds the hybrid view is lacking in this regard. Assume that Carla necessarily needs a large sum of money to realize her personal pursuits. Now consider two scenarios where, in the first, she kills her uncle to inherit the money she wants, say \$10,000; and in the other situation, she already has that much money but chooses not to give it to some charity to save a life of an unknown.

We recall that the hybrid view allows us to pursue and give greater weight to personal projects although this means overall good is not maximized by the outcome of our action. The hybrid view permits the death of a stranger so that Carla uses the money to further her private goal. But it also appears to allow her to kill her cousin given that the weight she gives to her personal projects is proportionately greater. The problem, then, is that the hybrid view only gives

prerogatives without restricting the extent of the moral weight we attach to our personal projects¹².

In the foregoing paragraphs, I have made an attempt to briefly present some variants of act consequentialism. Simple act consequentialism suggests that we have to impartially maximize overall wellbeing. It is charged for imposing unreasonable demands on the agent and for permitting the commission of injustice as long as agent's act results in the best outcome in terms of maximizing over all good. Two moderate and sub maximizing versions were also presented: satisficing and the hybrid view. Satisficing consequentialism, at the surface, appears to lessen the demand of consequentialism as it does not require the best possible outcome but simply requires agents' action to produce a 'good enough' result. However, as shown above, this version does not really solve the demandingness problem and also fails to overcome the injustice objection. The hybrid view, on its part, successfully does away with the demandingness objection, but suffers from other problems one of which is that it could at times be extremely unjust.

¹² In this particular sense, the difference between the hybrid view (as well as Slote's Satisficing consequentialism) on one hand and act consequentialism on the other is that: the latter allows such harsh acts given the agent is intending to optimize overall good while the former versions allow the same act even if the actor does not aim so, or the outcome does not promote overall wellbeing.

Chapter Four

Fair Trade: A Consequentialist Defence

Simple act consequentialism, as discussed earlier, is counter intuitive because of its maximizing and impartial nature. On the other hand, its restructured variants are sub maximizing in a sense that they propose less demanding obligations. We can categorize Slote's satisficing consequentialism and Scheffler's hybrid view under this moderate form of consequentialism. Given the less demanding nature of fair trade obligations, it would not be problematic to employ any of the above theories to come up with a consequentialist defence in favor of fair trade. However, the sub maximizing approaches, particularly the hybrid view, seem to be more defensible than simple act consequentialism. I do not intend to provide a defence to any of the versions of consequentialism which I think is way beyond the scope of this paper. My argument will be based on the assumption that an agent upholds a consequentialist moral theory. The concern of this section is, having recalled that buying fair trade is a morally right thing to do as it causes good enough consequences, to present a consequentialist argument in the lines of the moderate approaches.

The basic idea of consequentialism, Mulgan explains, is that "the appropriate response to value is to promote it", and "If you think x is good, then you should try to increase the amount of x in the world"(2007:132). Conversely, if one assumes z is bad, then she should act to reduce z. Adapting this argument to the issue at hand, we find the following statement: we should act to reduce poverty and that since purchasing Fair Trade goods directly contributes to the reduction of poverty, we should purchase Fair Trade goods.

I do not intend to consume space by restating the benefits of fair trade to the world's poor, particularly the poor producers in the global south. I have made an attempt to briefly outline what the majority of some empirical researches and impact studies have found out about the effects on Fair trade in poverty alleviation. Fair trade has immense positive impact in the lives of those who participate in the system as it guarantees higher and stable income, ensures food security, reduces producers' economic vulnerability, creates opportunities for better education to children and housing for families...etc. Assuming such is the case, the approach I will take in this chapter is to provide a defence for a sub maximizing consequentialist argument that individuals should buy fair trade goods targeted at achieving good enough consequences. By way of responding to objections, I will thereby defend my position. Before addressing the major objections, in relation to Fair trade, forwarded against the moderate consequentialist theories, I find it important first to deal with a less important but possible consequentialist objection which has not been discussed so far.

To the argument that Fair trade promotes the wellbeing of those poor farmers in developing countries and so we have to act to purchase such products, one could possibly respond that we cannot be sure about the outcomes of our actions, that is purchasing fair trade products, in those parts of the world. Otherwise stated, the objection is that one can be more certain of the consequences of her actions, if she emphasizes or limits such acts of benevolence within closer bounds (see Mulgan 2001:32). The basic idea is that consequences of actions are more reliable and easily ascertainable if results are to be achieved within our homes, in closer circles than in faraway places given the intricate 'causal process' at work (ibid). An agent can have a better estimate of the expected value of his action, say donation, if such is done closer to him than in a remote place.

This argument appears to be less sound, particularly in the present world system where the value of aid money donated to a certain agency could be traced (see Singer 1972)¹³. The argument is even more untenable in relation to fair trade. Since the causal process involved is far from complex, an agent can be certain as to what results his actions would produce. It is not difficult to determine the outcome of buying a fair trade good. The process is as simple: a producer in a fair trade system exports his coffee through an intermediary (remember that one FT goal is to ensure that middlemen do not take unfair advantage of producers), a Northern consumer buys the fair trade coffee at a guaranteed minimum price, the producer receives the price of his product which is certainly above the production cost plus additional premium payment through his producer's group. Although the overall good to be promoted could be somehow undermined by intermediaries, for example, the contributions individual buyers make is undoubtedly meaningful.

I assume that every fair trade consumer, given the massive promotional campaign by fair trade and the relative reliability of the system in general, is aware of the fact that the extra money she spends on a product reaches the producer and causes an improvement in the livelihood of the latter. It would, thus, be implausible to argue that one would not buy fair trade because he is not uncertain about the expected value of his act. Therefore the argument from ignorance of the consequence or the expected value of an agent's benevolent act does not present itself as credible in relation to fair trade.

¹³ Mulgan(2001:33) notes that such an argument of uncertainty could be plausible in the 19th century where the 'expected value' of sending aid money to help those in need in faraway places because of the low chances of success

4.1. Is Fair Trade excessively demanding?

A strong challenge against consequentialist approaches towards the world's poor comes from those charging the theories for being overly demanding, alienating and unjust. A more important question will then be, would these criticisms against act consequentialism in general also haunt a consequentialist defence of fair trade? My reply to this question would be that given one upholds one of the sub maximizing approaches, a consequentialist argument that we should buy fair trade products would be immune from the aforementioned charges.

It helps, first, to see what purchasing a fair trade product involves practically. The basic idea is that consumers in the global North are expected to prefer a fair trade certified product when they go to a store with an intention of buying the same type of product. It should be apparent that a consumer is not required to purchase a fair trade item in addition to buying a non fair trade product, or to engage in some sort of impulsive buying. It is not demanding at all in this respect as an agent is not required to sacrifice by way of additional buying. However, the issue of sacrifice comes in when an agent decides, based on his usual buying plan, to pick from a shelf of a store a fair trade product which has a higher price compared to a similar but uncertified product. The extent of this price difference, I believe will be a decisive factor in order to see whether fair trade buying is demanding or not.

The price difference between fair trade certified products and ordinary ones is generally minimal. The difference of fair trade price from market price cannot be said to impose unreasonable demandingness on a Northern consumer. It can be noted from a brief comparative research of prices of goods at a given supermarket that the price of commonly frequently consumed fair

trade products such as tea bags, coffee, honey, chocolate, fruits, rice...etc departs from non fair trade goods marginally¹⁴.

I do not believe that purchasing fair trade gives rise to the demandingness objection considering the minimal additional price and taking into account the purchasing capacity of Northern consumers in affluent countries. The nature of fair trade, first, is not such that an agent is expected to spend all of his energy, time and resources to alleviate world poverty or promote overall happiness. The idea of donating money to an aid agency or saving lives in extreme poverty in similar ways could possibly involve the devotion of one's resources, time and energy on such act which aims to promote general welfare. Although the act of buying a fair trade product has similar effect of promoting well being, it is not characteristically so that an agent gives what he has.

Purchasing fair trade products would have been unreasonably demanding and thus alienating if it involved unreasonable price difference or if an agent were expected to buy fair trade products extremely frequently (even when such is not in her purchase plan) so that the additional price goes to promote wellbeing in the South. I suppose that it would be unreasonable to claim that my purchase of fair trade products would "detach myself from the projects and commitments in which I am currently involved (see Mulgan 2007:36-37). A once in a while act of buying fair trade products at an undemanding price does not require an agent to detach oneself from personal projects and attach to a life of charity and overall wellbeing maximization as simple act consequentialism would suggest.

¹⁴ This comparison, of course, can only be made on common market products. Since comparing the price of handicrafts and other cultural products with non fair trade products could be bit complex, I have not included these products when I conducted my small 'research'.

As simple act Consequentialists would argue, maximizing over all well being is not at all alienating in that an agent is still allowed to live a fulfilling life by attaching to a different type of project. Stated differently, an agent can be attached to his personal projects if he adopts projects like charity work and poverty activism as his own private commitments and considers them as own projects(ibid). Unlike the possibility in the project of aid , a person buying fair trade to optimize the wellbeing of a poor producer is not expected to commit herself to a life of charity and activism. As the fair trade system is arranged in a way that there are people who have taken this job of activism for a living (who themselves are at liberty to give higher weight to their personal projects), agents are not required to alienate themselves from their private lives and attend to a fulltime job of wellbeing maximization. An agent buying fair trade is, thus, free, in terms of financial resource energy or time, to engage in any personal project whether or not such act maximizes overall good.

As much as purchasing fair trade does not cause the alienation of an agent from personal projects, it does not also undermine the integrity of one's life. As Williams (1973:116) rightly argues that there is no way that a person can flourish by taking a solely impersonal view of life. As discussed earlier, simple consequentialism requires a person to appraise one's life only in terms of "the value it adds to the overall value of the universe" (Mulgan 2001:15) and so suffers from the integrity objection. Buying fair trade does not involve taking account of one's life from solely impartial and impersonal point of view and thus does not violate integrity of the buyer. An agent buying a fair trade good is not required to (though not restricted no to) regard highly the welfare of others as much or more than his. Therefore, it seems implausible to reject a sub maximizing defence of fair trade based on the alienation or integrity objections.

I also argue that the injustice argument forwarded against both of the moderate consequentialist theories can not apply to fair trade. The basic idea is that both the hybrid view and the satisficing theory only give prerogatives without restricting our freedom to act in favor of our projects. Thus agents can give precedence to personal projects at the expense of causing harm to others. I argue that for this objection to be applicable, the obligation required should necessarily be demanding enough which fair trade does not impose on buyers. That is to say, the personal project at stake has to be a substantial one and the resource to be withdrawn from the impersonal project in order to realize the former has to be sufficiently enough.

To explain, let me illustrate using Carla's case above. She had to kill her uncle because she needed a large sum of money to realize her personal project which the hybrid view justifies her to do without any limit. However, it can be simply noted that she would not have moved to such an injustice had she known that her uncle only had few dollar notes only. Or, with regards to the other scenario, she would have given her money to Oxfam had the amount not on her hand not been such a large sum of money and had she not been convinced that it would substantially further her personal project in mind. Similarly, a person only spends negligible amount of extra money when purchasing a fair trade product. It would not be credible to claim that she would betray (considering betrayal as an injustice) a poor southern farmer in order to spend those few coins she spares on her personal goal.

Finally, a stronger objection would be that: what about individuals who are 'non affluent' living in affluent countries, should they also be morally obligated to buy fair trade? A duty to buy fair trade products, I believe, should be limited to consumers who are economically viable. I agree with Philips (2008:243) in that it is only in the presence of some weighty reasons that an agent could reject a duty to buy fair trade products, and one such case is the unstable economic or

social status of the consumer¹⁵. It should be recalled that a sub maximizing consequentialist would not require one to abandon personal goals and maximize the wellbeing of others. Requiring an unemployed person or a single mother (or any one in such similar status) to buy fair trade could mean that they should sacrifice their personal lives for the sake the Southern farmer. Although the additional money a consumer pays for a fair trade product is minimal, there is a chance that such an obligation could impose excessive burden for some class of people. When agents have equivalent or stronger duties, they should be at liberty to evade this one. Thus, a duty to buy fair trade should accommodate exceptions like this to successfully overcome the demandingness objection.

Generally, a possible reason for an agent to reject a duty to buy fair trade products is that it involves the expenditure of extra expenses which leads to a concomitant extra burden and the narrowing of choices in one's life. It cannot be denied that we need financial resources not only to physically survive but also to lead 'better' lives. I assume that we should be free to take a view of life from a personal perspective in a sense that we should be primarily concerned with our welfare. However, it does not seem credible to assume that one would be leading a life from a wholly impersonal perspective, that is, where her welfare is sacrificed for the sake of others, if she abandons few luxuries. Buying fair trade products, I hold, does not preclude an agent from leading a meaningful life and from doing things that matter from a personal perspective.

The argument that northern consumers have a duty to buy fair trade could face one important objection which cannot be easily overlooked, namely, why prefer fair trade from other ways of

¹⁵ The other reason Philips mentions as a possible rationale for rejecting such duty is if there are other similar options through which agents can contribute more effectively (2008:243) I assume this is a fair point. However, I will defend fair trade in the last chapter as being an effective channel of promoting wellbeing owing to some additional values characterizing it.

channeling contributions such as charities to the world's poor producers. In the next chapter, I will partially deal with this challenge by arguing that there are additional benefits associated with fair trade, values which are not characteristic of the other mechanisms.

Chapter Five

Other Values

I have argued in the preceding chapter, following a consequentialist moral theory, that consumers have obligations to buy fair trade. I have pointed out somewhere in the previous chapter, following Philips(2008) that one of the reasons to reject the duty to buy fair trade is if there are other similar options by which agents can contribute more effectively than through Fair Trade. Making a case that fair trade is the most effective mechanism to promote the wellbeing of the Southern poor producer is an enormous task that escapes the ambit of this paper as it requires an extensive research. However, I will make an attempt to show that purchasing fair trade is better (than some alternative strategies of poverty relief such as donating to charity) particularly owing to a couple of values associated with it: avoidance of exploitation and its indirect role in prompting others to contribute.

In simple terms, the question that lingers from chapter four and that I will try to reply to in this last chapter will be: what if an agent saves the extra money she is supposed to spend on a fair trade product and donates it to a charity which promotes the wellbeing of the same poor producers? A reply to this question based on values associated to fair trade, I assume, would also serve as a response to a possible challenge from a non-consequentialist. To the question “I do not uphold a consequentialist moral theory, then why should I buy fair trade to promote the livelihood of a poor farmer”, I would reply “because there are other values to be honored among which is lessening chances of exploitation”.

Let me start by a brief discussion of the ‘comparative challenge’ (Kurjanska and Risse 2008; Walton 2012,) against a consequentialist defence of fair trade. The comparative objection holds that buying fair trade is not the only or necessarily the best available way to reduce poverty in the South and thus fair trade could only be considered as “one possible development strategy”(Kurjanska and Risse 2008:46).The point is that if the goals fair trade seeks to achieve could be met by other ways, say donating to aid agencies, then how would a consequentialist maintain a defence for buying fair trade in particular? Consequentialists would then find it not an easy task to make a strong statement that individuals ought to buy fair trade goods but can only claim that it would be reasonable for agents to purchase fair trade goods(Walton 2012:130-131).

I believe that the point the comparative objection makes is a fair one. Since both fair trade and the other alternative mechanisms of poverty reduction have positive direct impact, it has to be shown that, as kurjanska and Risse(2008:45) contend, fair trade is a superior strategy than other alternatives. Only then, it seems, can a defensible consequentialist argument in favor of buying fair trade can be made. This can be shown, I believe, in at least two ways. First, by proving that fair trade has better direct results in reducing poverty which I think is an exceedingly tremendous task to handle. The second would be to explore peculiar features of fair trade that makes it stand out as a poverty alleviation strategy in comparison to others.

5.1. Exploitation

In what follows I intend to show that fair trade is non exploitative, or that the system of fair trade does not allow those producers or workers involving in it to be exploited. I will try to briefly point out that the existing market system does not have as effective a mechanism of tackling

exploitation¹⁶ as fair trade does. Therefore, I will argue, assuming that buying fair trade and donating to aid agencies have similar direct impacts at least in the long run, purchasing fair trade can be superior as fair trade, in addition, seeks to eliminate the exploitation of these beneficiaries apart from promoting their wellbeing economically.

I will start with a brief discussion showing that the existing system of global trade might be unfair to producers in poor countries. Pogge (2003:4) rightly notes that poverty is not caused solely by domestic reasons and that the problem of poverty should not be seen in terms of assistance alone. He argues that had rules governing international economic relations been regulated favorably to the poor, it would have been possible to avoid at least part of the poverty in the world. Although poor countries have contributed to their present status, “the global economic order also plays an important role” as it is “shaped to reflect the interests of rich countries and their citizens and corporations”¹⁷(Pogge 2003:5).

Bringing the issue down to producers in developing countries, Pogge’s point could be amplified, for example, from the point of view of the massive unfairness in the agriculture sector which is possibly caused by the present international trading system. Global trade rules are criticized of double standard in that they regulate poor countries to speed up trade liberalization but protect their economies (see Oxfam 2002:11). This imposes enormous difficulty to developing country producers since it allows “rich countries to protect and subsidize their big farms and food

¹⁶ It has to be noted here that I still hold that interim approach is more conformant to fair trade’s aim, that is, it aspires not to replace the existing market system with a whole new one but to work to improve the lives of those harshly impacted by some of the unfair natures of the present system.

¹⁷ A world bank report back in 2003, I believe, gives a glimpse of the reality on the ground. About 15 percent of the population in developed countries have over 80 percent of the global income and the rest 84 percent plus percent of the world’s population relies on the remaining less than 20 percent(cf. Pogge 2003:5).

companies, at the same time pressuring developing countries to open their markets to cheap food imports” (Third World Network 2004).

The International fund for Agricultural Development observes that OECD countries have spent 6.5 trillion USD on agriculture since 1980s which is the main reason for surplus of products flooding the world market and the decline in price of agricultural commodities globally (IFAD 2004). Subsidizing “domestic consumption and the subsistence of farmers”, according to IFAD, is a welcome move. The problem is, however, that an extremely huge portion of the subsidies is spent on export commodities of developed country producers. This is “uneconomical and highly unethical” since it strikes a huge blow to small farmers in poor countries. What makes the problem worse is that, although some reforms have been introduced since recently, the powerful developed nations do not seem to live up to their commitments which makes the situation rather bleak(see IFAD 2004).

If it is the case that the rules of global economic interaction favor the interests of developed nations, I would have to agree with Pogge (2003:6-7) that we have to consider not only “positive duties to assist but also more stringent negative duties not to harm”. This, I assume, involves looking for ways of reducing the negative impacts of the ‘unfair’ economic system. Compensating southern producers economically by promoting their livelihoods, as fair trade is doing, is obviously crucial. Although fair trade does not apply the negative duty by calling for the restructuring of the whole global economic order, it does so by working to protect poor producers, through its partnership with northern consumers.

I have pointed out in chapter one that fair trade aims to shield the southern producer from some of the harsh features of the existing trading system. The standards set in place by the system

which requires any fair trade organization to comply with and the certification system are peculiar tools that enable to avoid violation of rights of producers and workers. Some of the standards are: payment of a Fair Price; ensuring no child Labor and forced labor; commitment to non discrimination, gender equity and freedom of association; Ensuring Good Working Conditions...etc (WFTO 2011). These standards work together to make sure that a southern producer or a worker in a fair trade organization is not exploited or is at least less exploited.

The setting of a minimum price and an acceptable remuneration is one of fair trade's ways of preventing exploitation. Failing to pay the 'marginal product' of a labor would amount to exploitation (Brewer 1987:86). Benn negatively frames exploitation in that a person cannot be said to have been exploited "if one is offered what one desperately needs at a fair and reasonable price" (1988:138). Since producers receive fair prices, they are spared from worrying at the prospect that their product sells at a price below the production cost. Similarly workers in fair trade organizations are expected to receive a "socially accepted remuneration" based on the principle of "equal pay for equal work" and irrespective of gender (WFTO 2011).

In addition to fighting exploitation by assigning fair price and remuneration, fair trade ensures that participants' rights are not violated and that they are producing under fair working conditions. It is incumbent upon producer groups to see to it that no child labor or forced labor is used in the production procedure. The standards also require that workers are not discriminated based on their gender or other traits and that they exercise their freedom to collectively bargain and join associations of their choice (WFTO 2011). Finally, producer organizations are also expected to promote good working conditions by particularly checking if health and safety guarantees, working hours...comply with relevant ILO Conventions (WFTO 2011).

It follows from this that a fair trade labeled or certified good conveys the simple message that the product bearing such mark is a result of exploitation-free labor. When an agent chooses a fair trade product over a non fair trade one from a shelf of a store, she has, thus, picked up a good which has been produced by a non exploited or less exploited producer. The additional money a consumer pays is not only a contribution to the promotion of a poor farmer's wellbeing but also is, in a way, an acknowledgement of a non exploitative process of production.

On the other hand, there is all likelihood that a product that comes out side of the fair trade route from a certain developing country could have a stain of exploitation of some form. Mainly due to the unfairness inherent in the global trading system discussed above, a southern producer not participating in fair trade has two options: either to sell her product at a cheap price possibly below production cost(for example due to the low price subsidized good over flooding the market), or to keep her product and starve. Buying her non fair trade good is, thus, in a way cooperating with the exploitative system at work (see Steiner 1984, 2011, Brewer 1987).

To decide to buy non fair trade good and then donate the difference to a charity should, I believe, be seen in this light. Although donating to charity to promote the good is a morally acceptable thing to do, the idea of refraining from buying a fair trade product in order to donate does not seem so appealing. An agent who does so is, in effect, saying that she does not care about the beneficiary's exploitation as long as he gets her donations.

5.2. Argument from indirect benefit¹⁸

Apart from the avoidance of exploitation, fair trade has indirect positive impact better than other alternative poverty relief strategies. Walton, in what he calls the wide consequentialist justification, recently pointed out that purchasing fair trade goods could “prompt contributions to poverty relief from individuals who would not otherwise contribute”, and such actions as buying fair trade are “more likely to result in a higher contribution to poverty relief” which fact makes fair trade preferable(2012:132-138).

One reason, among others, that individuals do not contribute, Singer would argue, is that their tendency to give depends on “how much they believe others give” (2009:64). Singer bases his argument on numerous psychological researches which found that people tend to do the right thing if they think other people, particularly those with whom they identify with, are doing this thing. Particularly Singer mentions a research which found out that donors who were informed about the higher contribution others have made contributed ‘substantially more’ than a group which did not receive such information (ibid). It follows that people’s actions, say making contributions not only influences others but could also prompt them to act in a certain way, that is, make contributions themselves.

For an action to encourage an agent to make contributions, it seems some conditions have to be fulfilled: non contributors have to believe that the action actually contributes to the goal; and the action has to attract attention (see Singer 2009:64-78, Walton 2012:132-138). If an agent does not believe, or is not convinced, that a certain action constitutes a contribution, or is not aware about it, it is unlikely that she contributes. Likewise, the likelihood of a third party making a

¹⁸ This argument serves as a response particularly to a consequentialist and not to the non-consequentialist.

contribution increases if an agent does the contribution in the attention of the former. For example, the fact that somebody else gains appreciation by others for his act of contribution would inspire others to follow through¹⁹. The basic idea, in general, is that if an agent's action fulfils the above conditions, the chance of the action to motivate others to act in a similar manner will more likely be higher than those actions not meeting the conditions (Walton 2012:134).

Nevertheless, those acts of benevolence that feature these conditions to a higher degree have a higher chance of motivating greater contributions. That is, the probability of eliciting contributions towards poverty reduction increases as the extent to which these conditions are met increases (Walton 2012:134). In terms of promoting the general good through poverty reduction, then, if action A and action B have equivalent effects but the latter has additional (indirect) effects, consequentialism would favor an agent to engage in action B.

Adapting this argument to fair trade is a bit tricky but not implausible. Although such task requires further empirical research, I agree with Walton that there are some characteristics of fair trade which point to the likeliness that fair trade meets the above conditions to a greater extent. One criticism against fair trade, as can be recalled from chapter one, is that much money is spent on campaign and promotional activity. In defence, I argued that this is necessary since the more publicized fair trade gets the more beneficial the producers will be as their products will be sold in greater quantity. Thus, the huge emphasis on promotion obviously pays off by creating awareness among Northern consumers. The fact that huge increases are reported year after year

¹⁹ Singer (2009:66-68) mentions scenarios in which people were inspired to give more as a result of publicity. Although the motive of giving might not be self-less, what matters, he argues, is the fact that they made the contribution.

in the amount of sales of fair trade products could be explained by this²⁰. It will thus be fair to say that the increase in recognition among consumers indicates that one of the requirements is met.

The way fair trade products are sold also creates a better chance of fulfilling the other requirement. Since consumers buy fair trade products in places like coffee shops, stores and other public places, the likelihood of calling attention is high. Apart from this, the fair trade label also plays an important role in attracting attention. The presence of the labels conveys the message that “one chooses either the fair option or the unfair option”(Walton 2012:135). In general, the fact that contribution is made at public and in a manner where others could notice an agent’s choice helps fair trade to fulfill the publicity condition.

I assume, by simply considering the above points, it is likely that acts of purchasing fair trade better meet the conditions discussed above than donating to charities. Assuming that fair trade and charities have equivalent effects in terms of direct impacts towards poverty relief and considering the additional benefit of fair trade discussed, it can be argued that an agent has a duty to buy fair trade products. Nevertheless, assuming that this is not the case, that is, fair trade trails in contrast to other alternative strategies with regards to the indirect benefits, it could still be argued that fair trade is a superior strategy taking in to account other crucial values such as that it reduces the chances of exploitation.

²⁰ A 2009 report, for example, indicated that global fair trade sales have increased by 22 percent Despite the global economic crisis as consumers spent about 3 billion Euros on Fair trade products (FLO 2009). Fair trade sales showed an impressive growth in countries like Australia and New Zealand (72 percent), Canada (67 percent), Finland (57 percent), Germany (50 percent), Norway (73 percent), and Sweden (75 percent), United Kingdom(43 percent)(ibid).

Conclusion

The paper was set out to reply to the question/s: is fair trade ‘working’, and if so, do we have moral duties to purchase fair trade products? Majority of the researches I explored indicate that the first part of the question can fairly be answered to the affirmative. Poor farmers in developing countries are getting higher and more stable income and this has translated in to a marked improvement in their livelihoods. Fair trade has played significant role by helping producers manufacture their good and effectively participate in global markets. Fair trade, it could be said, is a generally working system particularly with regards to ameliorating the livelihoods of farmers and producers in the global south.

The second part of the question is a bit more challenging to deal with. I relied on the sub maximizing approaches, particularly the hybrid view, which seems to be more defensible than simple act consequentialism to argue that what fair trade asks of us is not demanding and so, we have to purchase fair trade products. In other words, buying fair trade products, I hold, does not preclude an agent from leading a meaningful life and from doing things that matter from a personal perspective. However, to successfully present a consequentialist defence there is a hurdle one has to pass. The challenge is that: if the goals fair trade seeks to achieve could be met by other ways, say donating to aid agencies, then how would a consequentialist maintain a defence for buying fair trade in particular? It appears that it has to necessarily be shown that fair trade is better in some respects in order to make a consequentialist argument in favor of buying fair trade.

As a response, I presented two separate additional benefits of fair trade over other alternative poverty relief mechanisms. The first is that fair trade avoids the exploitation of those involved while donating to charities lacks in this regard. And second, I argued that purchasing fair trade is better in motivating people to contribute in the same manner than, say, donating to aid agencies. The first one is a strong case for fair trade as it can clearly be shown that it aims to eliminate exploitation and this is too huge additional value to overlook. Elimination of exploitation as a value to be honored could also be appealing to a non-consequentialist. The second, however, can be subject to arguments. Although fair trade has some features that enable it to better prompt contributions from non-contributors, alternative poverty relief strategies could also at time have such. However, it generally appears that fair trade does better in this regard too.

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