

## **Add Producers and Stir? (Re) politicizing Fairtrade participation**

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### **Keywords:**

Fairtrade, co-operatives, collaborative governance, participation, representation

# Add Producers and Stir? (Re) politicizing Fairtrade participation<sup>1</sup>

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## Abstract

While recent changes to Fairtrade's governance structures aim to facilitate 'stronger voices' for producers (Fairtrade International 2011b), relatively little is known about the impact of these new structures on individuals. Utilizing Fung and Wright's (2003) framework of Empowered Participatory Governance, I am to explore the nature of participation in Fairtrade governance for the co-operatives and individuals belonging to the Fairtrade Africa producer network. I then consider Fung's (2002) notion of countervailing power as a means of understanding representation, particularly as it pertains to those individuals who are typically marginalized within governance processes such as women, the landless, and migrant workers. This paper is part of a broader research project on Tanzanian Fairtrade coffee farmers.

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## 1. Introduction

According to Fairtrade International (FLO)'s 2010-2011 Annual Report, "A major part of Fairtrade International's global strategy is to give producers and workers a stronger voice within the system. In 2010, we turned to our producer networks in Asia, Africa and Latin America for input on areas of collaboration and joint planning." (Fairtrade International 2011b, 16) The umbrella body aims to share information and facilitate decision-making with producers through three producer networks and states that producers influence decisions through their participation in these networks. Yet very little is known about the producer networks; to date there have been no studies on their effectiveness and, as such, analysts have recently called for independent research into this aspect of the system (Nelson and Pound 2009). As outlined herein, while various changes within Fairtrade's formalized governance structures have been made over the past decade, determining the impact on individual producers is a challenging task. In order to learn more about how the Fairtrade system creates opportunities for producers to achieve this 'stronger voice', I therefore consider the nature of individual participation and representation. I assess the role of Fairtrade Africa in representing the interests of its members - over 500,000 producers, 260 organizations, and 47 products in 26 countries - through an exploration of Fairtrade governance.

I employ Fung and Wright's (2003) framework of Empowered Participatory Governance (EPG) as a tool for understanding the challenges of collaborative governance as they relate to Fairtrade. EPG combines participation, decentralized decision-making, continuous deliberation and engagement, and co-operation between parties and interests. This approach emphasizes devolution to local units whilst maintaining centralized co-

ordination and supervision, and as such is well suited to an exploration of Fairtrade governance. Through exploring EPG's principles, design properties, and enabling conditions related to Fairtrade, I aim to learn more about whether or not this international system is truly achieving collaborative governance that enables individual producers to have a 'stronger voice'. Finally, I consider Fung's (2002) notion of countervailing power as a means of understanding representation as it pertains to those individuals who are typically marginalized within governance processes.

## **2. Fairtrade Governance and Producer Co-operatives**

Fairtrade began as a means of connecting Southern producers with Northern partners via a system of rules and principles. While its roots can be traced back to various starting points, according to Fridell (2006, 2004) the Fairtrade network first emerged during the 1940s. The early fair trade<sup>3</sup> movement aimed to create alternative markets for producers in the global South, and was primarily composed of Alternative Trade Organizations (ATOs). However, fair trade underwent significant changes in the 1980s; instead of forging an alternative to conventional trade, it began to move towards carving out access to conventional markets. As a result, Fairtrade certification was born, and in 1997 FLO was established as the international certification and standard-setting umbrella agency for Fairtrade. Today there are Fairtrade standards for products ranging from coffee to cotton, fresh fruit, and sports balls. FLO (2011a) claims that Fairtrade aims to address the imbalance of power in trading relationships, unstable markets, and the injustices of

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<sup>3</sup> Within this paper I use the term 'Fairtrade' to refer to the certification and labeling system governed by Fairtrade International, and 'fair trade' to refer to the broader movement comprising both labeled and unlabelled goods

conventional trade. A commonly accepted definition, created in 2001 by an association of fair trade networks known as FINE, is:

[Fairtrade] is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. (Fairtrade Advocacy Office 2011)

The evolution towards a large certification system has, in many cases, increased the distance between producers, traders, and consumers as Fairtrade products are now sold by multinational corporations along with more conventional ATOs. The shift from an alternative market, based on connecting consumers with producers, to a product-based certification scheme is an important consideration as Fairtrade's governance structures and, accordingly, the nature of producer participation, have changed drastically over the years. This inevitably poses challenges with regards to how the 1.2 million farmers and workers who belong to the Fairtrade system are engaged in it.

Upon joining the Fairtrade system, small producer organizations (SPOs)<sup>4</sup> commit to various tenets including environmental sustainability, democracy, transparency, equal opportunities for women, and the abolition of labour abuses such as forced or child labour. They must also meet buyers' contract demands related to volume, timing, and quality. In exchange, they are guaranteed fair prices, access to advance credit, long-term trading relationships with buyers, and social and business development premiums. The Fair Trade system prescribes that co-operatives must democratically decide how these

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<sup>4</sup> While there are also standards for hired labour for some Fairtrade products, I only explore SPOs herein.

premiums will be used, through a General Assembly with voting rights for all member families. In cases where SPOs have many members, producers elect delegates to act as their representatives. While FLO requires SPOs to be composed primarily of smallholders who run their farms mainly through the use of their own and their family's labour, up to 49 per cent of the output can be sourced from other suppliers who may depend on hired labour (Fairtrade International 2011e). In addition, small producers are allowed to hire workers: migrant and temporary workers in the case of less labour-intensive goods such as coffee, and permanent workers for highly labour-intensive goods such as cane sugar. The heterogeneity amongst these co-operative members (producers versus delegates, smallholders versus migrant workers) is an important consideration, and one that I explore in a later section on representation.

In the 2009 Charter of Fairtrade Principles, the World Fair Trade Organization (WFTO) and FLO cite capacity building and empowerment as core principles of Fairtrade (WFTO & FLO, 2011). As confirmation of this, throughout the Fairtrade literature, analysts often claim that participating in Fairtrade empowers producers (Dolan 2010a, Nelson and Pound 2009, Nicholls and Opal 2005, Raynolds et al. 2004); a 10-year review of the Fairtrade literature confirms that there is strong evidence of empowerment impacts flowing from Fairtrade participation (Nelson and Pound 2009). These authors cite evidence in the literature of benefits to participation including producer knowledge of and perspectives on Fairtrade, social cohesion, an ability to resolve disputes, networking, and democratic organization. However, as Tallontire (2009, 1012) notes, "There is a need to understand much more clearly the differences in how fair trade is experienced and interpreted by producers and their representatives, and the ways in which this may be articulated."

In its 2009 Global Strategy, Fairtrade International (FLO) claims “Internally, our ambition is to encourage greater and more active participation by producers in the Fairtrade system and this will be reflected throughout our operations in processes of decentralization and devolution.” (Fairtrade International 2009) The organization’s 2011 Monitoring and Evaluation report finds that there is growing participation in Fairtrade amongst producers, workers, and their organizations (Fairtrade International 2011d). Participation, however, is a complex term. In thinking about participation in Fairtrade governance, there are both the informal structures (such as access to markets and links among participants) and the formal structures to consider. As Tallontire (2009, 1006-1007) describes:

Governance is a term that has increasingly appeared in literature on fair trade, especially critical analyses of mainstreaming. Some writers are concerned with governance in terms of how markets operate and are embedded in society. Others relate it more specifically to how different firms in a value chain connect to each other, particularly in the context of chain co-ordination. Often these discussions are closely related to the institutions within fair trade and their formal, and informal, rules and structures.

I focus on the system’s formalized governance structures herein. According to Taylor, Murray et al. (2005, 202), Fairtrade’s formal governance structures “aim to institutionalize greater fairness and justice via democratic decision-making at all levels of the initiative.” However, given the sheer number of producers involved in Fairtrade, particularly in Africa where 58 per cent of Fairtrade producers work and live, this is not without its challenges (Fairtrade International 2011d). Bacon (2010, 112) asserts:

I argue that a fairer Fair Trade would include a governance process with more Southern civil society, grassroots development stakeholders, and consumer interests coupled with organisational reforms that increase transparency, flexibility, and accountability. There is also a need for additional research concerning Fair Trade impacts, costs of sustainable production, and governance.

As Francisco VanderHoff Boersma (2002, 20), one of the original actors in Fairtrade, noted almost a decade ago: “For some time there was no democratic participation within the [Fairtrade] system, which has only recently been partially resolved. There is a pyramid decision-making structure, where the top often does not communicate with the base.” Renard (2005, 425) also cautions: “producer organizations have the impression that fair trade’s regulatory organization is guided more by commercial considerations than by solidarity, and acts more against them than in support of them.” Changes to Fairtrade governance in recent years, in what Tallontire (2009, 1005) refers to as “an effort to bring fair trade closer to its roots,” reflect the ever-evolving nature of the system’s formalized governance structures. The organization has created a standards and policy working group and a certification committee (both including producers), developed a producer support network of field liaison officers known as the Producer Services and Relations Unit (PSRU), and increased producer ownership to 50 per cent with the recent restructuring of the General Assembly (Fairtrade International 2011c). FLO has also added producers to the Board of Directors, although as Bacon (2010, 134) observes: “The FLO board is also notable for the organisations that are not at the table, or, to put it more directly, the missing seats and the voices without votes.”

In an effort to bring more of these voices to the table, FLO has guided the development of two regional producer networks: Fairtrade Africa and the Network of Asian



Producers. Along with the CLAC (Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo) in Latin America and the Caribbean, which has very different roots and came into existence prior to the creation of FLO, FLO claims to maintain contact with producers through these three producer networks. Fairtrade Africa (2011) states on its website: “As a membership-based organisation, we work through primary structures such as product groups, country partnerships and regional networks which enable our members to have a strong voice in the governance and management of the organization.” In 2007<sup>5</sup> the producer networks all became full members of FLO, at which point Binod Mohan, Chair of the Asian Network said, “The face behind the Fairtrade movement is the southern producer and the inclusion of producer networks in the FLO constitution is a welcome step towards further strengthening Fairtrade.” (Lamb 2008, 173) The producer networks have also recently moved towards working more closely; in 2010, all three signed a memorandum of understanding to establish the CAN, an intercontinental body created to encourage collaboration among the networks (Fairtrade International 2010).

While FLO has clearly responded to criticism and feedback in the past, the organization also aims to continue to strengthen Fairtrade in the future. This is seen in its 2009 Global Strategy, whereby FLO emphasizes its efforts to continue to improve the Fairtrade system. On its list of goals for 2010 and beyond, the organization highlights (1) designing and implementing a new governance model, (2) employing a new approach to field-based producer services and relations and (3) building capacity in producer networks (Fairtrade International 2009). It also emphasizes its support for the producer networks’ desire to take on greater responsibility within the system, citing capacity building as a means of accomplishing this and highlighting the importance of supporting the producer networks

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<sup>5</sup> This resulted from a change in FLO’s constitution in November 2006.

so that “over time they are on a more equal footing with the Labelling Initiatives as members of Fairtrade.” (Fairtrade International 2009, 6) In a similar vein, Fairtrade Africa aims to increase producer participation. The network’s recent Annual Report notes: “In 2009/2010, our aim was to strengthen our organisation and increase member participation and ownership while deepening and broadening the impact for our producers.” (Fairtrade Africa 2010, 7) Clearly, there is a commitment to increased participation within Fairtrade’s formalized governance structures at both the level of Fairtrade International and Fairtrade Africa. Yet, while these new changes are laudable, will they enhance producer participation in decision-making, especially for those individuals who are typically left out of these processes? As Tallontire (2009, 1012) outlines:

FLO has made efforts to enhance producer participation in its governance structure and has made a new commitment to empowerment. [...] FLO, supported by NGOs, has recognised that providing space and resources for producer empowerment is a critical next step for the fair trade network. [...] There have been changes in the content of standards, and governance structures have evolved to permit greater producer participation. However, to what extent can these institutional changes counter-act the disempowering effects of some forms of fair trade value chain or, more positively, is there potential for institutional governance changes to bolster forms of value chain governance that are more empowering for producers?

I explore these efforts to facilitate participation and empowerment within the following section. I situate this within a theoretical framing of Empowered Participatory Governance as a means of learning more about how FLO’s evolving governance

structures are impacting producers, particularly those belonging to Fairtrade Africa, as well as who is benefitting from these changes.

### **3. Empowered Participatory Governance**

Collaborative governance is a relatively new strategy of governing that has emerged in the past two decades. Operationalized by managers and policymakers, it has frequently been implemented in reaction to governance failures, or as organizations have grown and developed their institutional capacity (Ansell and Gash 2008). As a result, it is open to different interpretations, although they do tend to centre around common themes. As Ansell and Gash (2008, 543) note in their meta-analytical review of the literature: “Collaborative governance, as it has come to be known, brings public and private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making.” These authors state that collaboration implies that stakeholders will have real responsibility for policy outcomes and, as a result, they impose the condition that stakeholders are directly engaged in decision-making, a criterion that is implicit in much of the collaborative governance literature. Ansell and Gash (2008) view collaborative governance as a time-consuming process that requires building trust among stakeholders, and argue that face-to-face dialogue is a necessary but not sufficient condition for collaboration. An important feature of Ansell and Gash’s theory of collaborative governance is that decision-making in collaborative forums is consensus-oriented; even if consensus is not reached, the parties strive to reach agreement in a deliberative forum.

Fung (2006, 25) similarly highlights the importance of the process, noting: “[E]ven when some participants disagree with group deliberations, they may be more easily reconciled to the outcomes because others have justified the bases of their positions in good faith.” Fung and Wright (2003, 263) use the term Empowered Participatory Governance (EPG) and define it as: “[A] form of collaborative governance that distinctively combines popular participation, decentralized decision-making, practical focus, continuous deliberation and engagement, and cooperation between parties and interests that frequently find themselves on opposite sides of political and social questions.” EPG is both participatory and collaborative, emphasizing devolution to local units whilst maintaining centralized co-ordination and supervision, and as such is well suited to an exploration of Fairtrade governance.

A general principle of EPG is bottom-up participation, including the involvement of ordinary people affected by practical problems. This does not imply that experts should not be involved, but rather that they should not have exclusive decision-making power. It is important to note here that collaborative governance processes cannot be assumed to be participatory. As Abers (2003, 200) notes in her critique of experiments in direct citizen participation in governance:

[S]uch experiments are not actually “participatory.” They do not bring “ordinary citizens” into the public sphere, but, rather, draw the same groups that normally have influence over decision-making. The poor are less likely to participate, not only because they lack time and resources, but also because they do not perceive participating in such fora as worthwhile. Instead, those with more money, stronger organizations, and more information tend to dominate.

As such, there may be a gap between how terms like ‘participation’ and ‘stronger voices’ are used by FLO, and who actually participates in Fairtrade governance. I argue that there are four primary reasons why individuals do not participate: they either lack the opportunity, the information, the resources, or the desire to get involved. Firstly, while some producers may have the opportunity to participate as delegates or representatives at Fairtrade meetings, most will not. In their Latin American coffee research Reynolds, Murray et al. (2004) highlight the socio-economic limitations of Fairtrade co-operative members who may have little formal education or command of the languages of international markets. While these authors do not see these challenges as insurmountable, they identify participation as a complex term and find that the groups studied in their research “must work to maintain broad participation, since many producers feel unqualified to take on organizational activities.” (2004, 1115) They also detect a tendency towards the centralization of skills and power due to personal contacts, language abilities, and long-term ties. Similarly, in her Kenyan tea study, Dolan (2003, 1327) finds that producer involvement is quite limited; most producers had never attended a General Assembly meeting or participated in premium project selection. As further evidence of this, during her interviews with Kenyan stakeholders in 2007, Dolan (2010a, 39) was told by a producer: “[Fairtrade International] should involve us, they should involve me. [...] We are willing to participate in [Fairtrade] activities, but nobody ever invites us. [...] We want to participate in it, talk about [Fairtrade].”

The second barrier to participation is the evidence in the literature that producers possess very little knowledge of Fairtrade (Dolan 2010b, Lyon 2007a, Shreck 2002, Taylor 2002, Getz and Shreck 2006). As Nelson and Pound (2009, 24) assert, “Whilst it could be said that Fairtrade is meeting the practical interests of these growers and workers, the strategic interests of individual farmers are not being met if they are not

gaining awareness of Fairtrade.” These analysts unearth large discrepancies related to the level of information that producers are provided with. They find that individual producer knowledge of Fairtrade is limited, as more knowledge is housed at the co-operative management level (Nelson and Pound 2009). While it may seem quite surprising that producers often do not understand what Fairtrade is, this is in fact quite common (Taylor 2002). Taylor (2002) outlines three levels of understanding: (1) individual farmers who know little about Fairtrade beyond price, (2) delegates who are provided with more information and have the ability to develop new skills and (3) elected leaders and technical advisors who develop contact with an increased number of people. He identifies barriers to knowledge transfer including officials holding back information and the low prioritization that may be given to proper training of individual producers. Similarly, Taylor, Murray et al. (2005) identify several potential challenges that may exist at democratic organizations. According to these authors, delegates at General Assemblies often find the information provided them difficult to understand, many producers lack a clear understanding of the Fairtrade system, and women often do not play a prominent role. In addition to a lack of opportunity and information, other important considerations relate to whether or not these individuals all want to participate and have the time and resources available to them to do so, as outlined by Abers (2003) above.

Deliberation is privileged in EPG over other forms of decision-making, such as aggregation, command, or strategic negotiation. In deliberative decision-making, participants listen to each other’s positions, consider them, and then generate group choices. In ideal deliberation, the only power that should prevail is, as Habermas puts it, “the force of the better argument.” (1984, 25) This is, as Cohen and Rogers (2003) describe, a force that is available to everyone involved. However, deliberation is also highly complex, as Young notes in an interview with Archon Fung:

To be democratic, deliberation must be widely inclusive of the major interests, opinions, and social perspectives of differently situated groups. The more social, economic, and political inequality among them, the more cultural differences they have, the wider the variance in value commitments, and the more contentious deliberation is likely to be. (Fung 2004, 50)

For Fung and Wright (2003), an essential design property of EPG is the devolution of power to local action units composed of individuals who are responsible for devising and implementing solutions, and who are held accountable for them. While these local units have considerable power and discretion, they are not autonomous. Rather, there are linkages of accountability and communication. This is reflective of how regional producer networks are set up: Fairtrade Africa is a membership body for all 260 Fairtrade certified organizations in Africa, but the SPOs and hired labour organizations that belong to the network have the power to make their own decisions (although they must be in line with the Fairtrade criteria). The Fairtrade system requires that individuals at various levels of Fairtrade's formalized governance structures engage in democratic decision-making. This is seen in both the nature of decision-making at the organizational level, and in the regular events that FLO and Fairtrade Africa organize. These include annual meetings, regional meetings, and product network meetings (for coffee, cocoa, and tea) whereby representatives come together to address specific problems, vote, and develop solutions. Similarly, individual co-operatives are required to hold an annual General Assembly where producers (or their elected representatives) gather to discuss relevant issues and to vote. However, while this approach to decision-making is often framed as deliberation within Fairtrade, it may in fact be closer to aggregation, given the emphasis

on voting. Important questions to ask at this stage therefore relate to who participates, who speaks, and how decisions are made within these governance structures.

The largest obstacle identified within the EPG model is that of power relations. Fung and Wright (2003, 18) are realistic about the danger of some participants attempting to use their power to manipulate decisions and note: “While it may sometimes be difficult for a casual outside observer to distinguish between genuine deliberation and disingenuous posturing, the difference is nevertheless fundamental and generally apparent to participants.” Although Fung & Wright (2003) note that absolute equality is not required, they state that there must be sufficient equality of power between participants for the purposes of deliberation. Mansbridge (2003, 192) explains:

In a deliberative framework, inequalities are most serious when they coincide with differences in perspective that would help in producing good solutions to communal problems. [...] In a participatory framework that emphasizes individual growth and equal respect, any factor is important that either prevents individuals from taking advantage of the opportunities for participation that will help them develop their faculties or makes some individuals feel less respected than others.

Ansell and Gash (2008, 551) explain: “If some stakeholders do not have the capacity, organization, status, or resources to participate, or to participate on an equal footing with other stakeholders, the collaborative governance process will be prone to manipulation by stronger actors.” They note the importance of developing measures to ensure that less powerful voices are represented and state: “If there are significant power/resource imbalances between stakeholders, such that important stakeholders cannot participate in



a meaningful way, then effective collaborative governance requires a commitment to a positive strategy of empowerment and representation of weaker or disadvantaged stakeholders.” (Ansell and Gash 2008, 551) Within Fairtrade, power relations are an extremely important consideration. As noted earlier, it is often those in elite managerial positions who are privy to the participatory discussions that FLO attempts to foster.

As Taylor (2002) indicates, there are various levels of understanding in Fairtrade, and elected leaders and technical advisors at SPOs, who develop contact with an increased number of people, typically possess the highest level of knowledge. This, of course, has implications for how other individuals within these organizations receive information. In her research on Fairtrade and the specialty coffee market, Julia Smith (2010) finds that “in particular, individuals who take on leadership positions and thus build relationships with outside vendors, activists and experts in the field often have stronger commitments to and better opinions of the fair trade system than do the rank-and-file members of co-operatives.” Lyon and Moberg (2010a, 200) add: “[...] discourses of reciprocity rarely penetrate beyond the small minority of well-travelled leaders from (Fairtrade) producer groups.” While engaged in ethnographic field research with Tanzanian Fairtrade beekeepers, Fisher (1997) identifies a cleavage between management and producer representatives, as well as varying degrees of influence among these representatives. As she notes, “Unsurprisingly, alliances and divisions within the producers, and between them and the management are crucial to the functioning of the cooperative.” (Fisher 1997, 121) Similarly, in their research on banana farmers in the Dominican Republic, Getz & Shreck (2006) find that the majority of farmers were uninformed about Fairtrade and disengaged from the certification process due to the fact that Fairtrade officials tended to spend time with leaders rather than producers when visiting.

Clearly, there is a need to learn more about these leadership issues in order to better understand the power relations that exist. Cornwall (2002, 5) notes that “issues of power and difference may not only undermine the very possibility of equitable, consensual decision-making, they may also restrict the possibility of “thinking outside the box”, reinforcing hegemonic perspectives and status-quo reinforcing solutions.” Lyon (2007a) identifies internal organization, group identity, and leadership skills as critical components for the success of an SPO. As Bacon (2010, 134) notes, capacity building<sup>6</sup> for producers is an important means of strengthening the producer networks:

Another North-South imbalance within this system concerns the investments in the capacity of these smallholder collective voices to sustain effective participation in the crucial Fair Trade governance decisions about standards, prices, and the entry of new participants into the system. The handful of sophisticated cooperative managers and presidents with the bottom up organising experiences/commitments and the capability to effectively negotiate in these international policy forums must simultaneously manage the Southern cooperative enterprises, coordinate sales to powerful buyers, and administer a host of very useful, but complicated, international development projects. The lack of professional staff within the producer networks threatens to undermine producers' ability to sustain effective participation in critical governance debates.

Beyond asking who is included and how, Fung and Wright (2003) remind us of the importance of exploring who gets left out. They claim: “One lamentable fact of all contemporary democracies is that citizens who are advantaged in terms of their wealth, education, income, or membership in dominant racial and ethnic groups participate more

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<sup>6</sup> For more on capacity building within Fairtrade see Sutton (forthcoming).

frequently and effectively than those who are less well off.” (Fung and Wright 2003, 34) I now turn to a consideration of representation as a means of learning more about who participates in Fairtrade governance and who gets left out, a section which brings us back to the earlier themes of participation, equity, and power relations.

#### **4. Representation and Diversity**

Overall, there is evidence that progress has been made in terms of producer participation since Van der Hoff’s 2002 criticisms; the 2011 unanimous vote to increase producer presence on the General Assembly to 50 per cent provides evidence of this. As Smith (2009, 8-9) notes, “while commentators must continue to critically analyse the governance and practices of FLO, the organisation has not been unresponsive to the need for slow and steady improvement.” There is, therefore, reason to be optimistic. However, we need to look beyond the vagueness of ‘producer participation’ to explore exactly which individuals are encapsulated in these efforts, as well as whose voices are heard. While Tallontire (2009,1012-1013) expresses optimism about recent changes to FLO’s governance structures, she calls for an increased understanding of heterogeneity at the producer level:

Important changes have been made in FLO in terms of institutional governance, making it more dynamic and better equipped than many other standards to deal with the challenges of mainstreaming. The voice of the producer is starting to be heard. However, there is not just one southern perspective—there are several agendas, which may differ according to location or product category, experience with certifiers or buyers [...] FLO’s pronouncements on producer empowerment

need to be underscored by greater understanding of the diversity of producer agendas and the space for producer agency, including as players in fair trade business.

Given the potential for participation to exclude many of those who should be involved, it is important to consider how decision-making occurs in co-operatives, as well as who might be left out of these processes. As Cornwall (2003, 1327) notes, “claims to inclusiveness wobble once questions are asked about who participates, decides and benefits from “participatory” interventions.” In this section I explore heterogeneity – returning to the earlier discussion of bottom-up participation, the element of EPG that I find the most pertinent to this discussion, and moving beyond barriers to participation to outline the nature of representation and diversity.

In his work on participatory governance, Gaventa (2004) highlights the importance of understanding who speaks for whom, and on what basis. White (1996) similarly emphasizes the importance of assessing both who participates and the level of that participation, citing the importance of recognizing that people are not homogeneous and that the act of simply being present at meetings is not enough. She outlines the importance of considering various dimensions of participation such as the diversity of interests, changes in participation over time, and participation as a site of conflict. As Cleaver (2005b) observes, voices, especially those of the poorest, are often excluded from this process, and Chambers stresses: “[I]f those who participate and gain are only a local male elite, the poor and disadvantaged may end up worse off.” (1994a, 1444-1445) While the benefits of democracy and solidarity are often emphasized in Fairtrade, as Brown (2004, 239) asserts, “[...] participatory processes could well prove less socially inclusive, as well as less transparent, than the alternatives.”

Within the co-operative literature, various analysts have commented on the challenge of embracing diversity. According to Staatz (1989), when cooperative membership is heterogeneous, there is a need to balance benefits among its various members in order to preserve the stability of the organization. This is, of course, a delicate balance to strike. While Booth (1985, 309-310) claims that the co-operative is capable of “meeting employee demands for participation in enterprise decision-making,” Bonin et al. (1993) assert that democratic decision-making is often considered cumbersome given the heterogeneous nature of workers. Two cases from the global North may provide some insight into this. Firstly, in his research on Chicago school governance and policing, Fung (2003a) finds that the more advantaged (in this case, those who own homes and possess higher incomes and education levels) tend to participate more. He claims: “This pattern confirms the well-grounded intuition that resources and other advantages influence citizens’ abilities to participate.” (Fung 2003a) Secondly, in assessing Vermont town meetings, Mansbridge states: “To get anyone to a meeting who expects to be in a minority or not have the right words to explain himself or herself in a particular setting usually requires special effort, both to get members of those groups to the meeting and to increase the chance of being heard when they do attend.” (Fung 2004, 48) She elaborates:

These patterns imply that the psychic costs of participation are greater and the benefits fewer for lower status citizens. In contacting town officials, for instance, they feel more defensive beforehand and less likely to get results afterward. In speaking at meetings they feel more subject to ridicule and are less likely to convince anyone. Each act of participation not only costs them more but also usually produces less. (Mansbridge 1983, 103)

As Fung (2006) notes, academic accounts of participatory small group decision processes, such as Mansbridge's (1983) study of town hall democracy in the northwest, often find them to be no more fair than other kinds of governance and decision-making. He elaborates:

Voices of minority, less educated, diffident, or culturally subordinate participants are often drowned out by those who are wealthy, confident, accustomed to management, or otherwise privileged. Liabilities such as parochialism, lack of expertise, and resource constraints may impair the problem-solving and administrative capabilities of local organizations relative to centralized forms. (Fung 2006, 8)

Unsurprisingly, in her review of the Fairtrade literature, Le Mare (2008) finds that everyone does not benefit equally from Fairtrade. She highlights tensions in a system that requires participants to be democratically organized, depicting the organizational dilemma of equating, “on the one hand, the need for expert knowledge on coffee markets to inform decisions, with the desire, on the other hand, for the widespread involvement of farmers, who do not understand market mechanisms, in the decision-making process.” (2008, 1931) In their research on coffee, Taylor, Murray et al. (2005) note that Fairtrade incorporates diverse actors with varying interests. As a result, bringing these individuals together poses many challenges for facilitating participation. As Dolan (2010b, 158) states in her research on Kenyan tea, “[...] while participation is a lauded touchstone of fair trade and the key to [Fairtrade International's] public credibility, producer representation remains a challenge at both international and local levels.” While Dolan cites participation as one of Fairtrade's key tenets, she also problematizes the

nature of this participation. She asserts that Fairtrade is “marked less by collaboration and consent than by patronage and exclusion”, highlighting the fact that producer representation remains a major challenge (Dolan 2010b, 34). Arce (2009, 1039) asserts:

This suggests that policy decisions within the fair trade movement and businesses need to be based on a more differentiated view of the impacts of fair trade on producer communities, taking into consideration dynamic social processes and networks, including processes of social exclusion, in order to consider whether and how equity is to be achieved at the local level.

Other studies specify the marginalized groups that tend to be left out of these processes, in particular women, migrant workers, and landless people. Fisher (2007) explores inequality in Tanzania’s artisanal mining, sector, finding that opportunities are particularly limited for certain social categories, including poor women, elderly people, and impoverished children. She outlines: “In this respect, although existing processes of integration have to some extent incorporated claim holders into decision-making and communication processes, they have done little to bring out the ‘silent voices’ in artisanal mining.” (Fisher 2007, 752) Similarly, in his research on Costa Rican coffee farmers and Nicaraguan migrant labourers, Luetchford (2007, 3) finds: “Landless people, women harvesters, and migrants in particular, constitute the most marginalized and invisible part of the coffee sector.” He further claims “To be specific, what is obscured in this representation of the coffee industry, small farming families, the cooperative, and, by extension, fair trade, are inequalities between landed, land poor and landless, women and men, residents and migrants.” (Luetchford 2007, 10) Smith (2011), in her recent study of banana farmers, also finds that Fairtrade has made limited progress in overcoming social

inequalities, specifically with regards to how marginalized groups such as women and migrant workers participate in governance and act as representatives.

In Fairtrade then, a great deal depends on the role that individual producers take on. Whilst SPO members may be able to participate directly in decision-making in smaller co-operatives, larger co-operatives instead require a General Assembly of delegates to represent members. There are clearly challenges related to who actually participates in these meetings and how decisions are made. How then to address the issue of representation, given the fact that, clearly, every individual who belongs to the Fairtrade system cannot be present or be an equal participant in decision-making? And how to establish this 'stronger voice' as Fairtrade aims to do? Fung and Wright identify 'countervailing power' as a means of facilitating representation, and I therefore consider this concept within the context of Fairtrade.

## **5. Countervailing Power**

Collaborative governance emphasizes the importance of mobilizing those stakeholders who are typically less active and under-represented. Here Fung and Wright introduce the notion of countervailing power, defining this as:

[A] variety of mechanisms that reduce, and perhaps even neutralize, the power-advantages of ordinarily powerful actors. [...] Countervailing power is the too-simple concept that describes how powerful actors with privileged access to decision-making venues may be challenged and even defeated from time to time by the weak and less organized. (2009, 1039)



For Fung and Wright (2003), EPG can only exist where a countervailing power is present. These authors claim that where countervailing power does not exist or is weak, participatory collaborative models risk co-optation, deregulation, or altruistic collaboration. They note: “Both collaborative and adversarial modes of governance suffer from the characteristic danger that some interests and parties may be improperly subordinated for the sake of more powerful interests and groups.” (2003, 263)

While in the adversarial model, one would expect to find special interest groups and collective action, it is often assumed that these are not present within participatory collaboration. However, as outlined in the above discussion on representation and power relations, one can still find co-optation by elites and experts, as well as participatory window dressing within this model. Fung argues that a high degree of countervailing power is therefore necessary in order to achieve EPG. These authors make four claims regarding countervailing power in collaborative governance (Fung and Wright 2003, 273). The first is that participatory collaboration, including EPG, will fail without countervailing power, as this presence can level the playing field and create conditions for fair collaboration. The second is that the forms of countervailing power often differ drastically between collaborative and adversarial models. They note that: “Participatory collaboration requires organizations with very different skills, sources of support, and bases of solidarity.” (Fung and Wright 2003) The third is that, as one might expect based on the second claim, countervailing power within these two governance models, adversarial and collaborative, is not interchangeable. The fourth and final claim is that well-designed collaborative rules and procedures will not necessarily generate suitable countervailing power; their presence is instead dependent of factors typically outside of collaborative governance institutions.

So where does countervailing power come from? And can it erode solidarity and support? Fung and Wright (2003, 266) note that there are “few conclusive findings regarding the operations, outcomes, or even prevalence of this emergent governance mode.” Therefore through this research I aim to learn more about whether or not countervailing power is present in Fairtrade and, if so, where it comes from and what its resulting impact is. This implies that perhaps the 'stronger voice' that Fairtrade seeks to facilitate may only be established when there is a countervailing group (such as women, the illiterate, or migrant workers) who can ensure that collaborative participatory governance is truly representative. Therefore for collaborative participatory governance to exist, and for these voices to be heard, the presence of a countervailing power may be necessary.

## **6. Conclusion**

The task of facilitating ‘stronger voices’ within Fairtrade is highly complex. Fung’s EPG model provides a framework for unpacking the nature of producer participation that allows us to better understand the nature of collaborative governance within the context of the producer network Fairtrade Africa, which the majority of Fairtrade’s producers belong to. As I have argued, these notions of bottom-up participation, deliberation, and power relations are essential governance considerations at various levels of Fairtrade, stemming from the institutional levels of Fairtrade International and Fairtrade Africa, to the organizational and individual level. While FLO has demonstrated a commitment to improving producer participation and its governance structures appear to be evolving accordingly, much remains to be done to ensure that individual producers are genuinely engaged. Therefore, a consideration of representation and who gets left out is essential to

this discussion. With regards to encouraging diversity and recognizing heterogeneity in Fairtrade, further exploration of this notion of countervailing power is required. I aim to do so during upcoming research on Fairtrade International, Fairtrade Africa, the Tanzanian coffee co-operatives who belong to this network, and the many individuals who may wish to have their voices heard.

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