

Social Capital and the U.S. Fair Trade Coffee Consumer

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# SOCIAL CAPITAL AND THE U.S. FAIR TRADE COFFEE CONSUMER

by

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## **ABSTRACT for scholarly and general audiences**

What consciousness (awareness) do Northern Fair Trade coffee consumers have of Southern coffee producers and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? This study sought to answer these questions, based on a data analysis of semi-structured interviews of 20 coffee consumers, roasters, distributors, café owners, and baristas in Long Island, New York, augmented with documents from some key organizations in the Fair Trade (FT) coffee supply chain. This study is important because a conscious (aware) consumer of Fair Trade coffee products has the potential to make a substantial difference in the quality of life of the Global Southern coffee producer. Additionally, social capital concepts can help us better understand how this consciousness of FT coffee operates.

Analyzing this data has shed light on the conscious coffee consumers' attitudes towards FT products, and FT coffee in Long Island specifically. Finally, this study has led me to a new and important research question that future research might address: how does the process of active participation in a FT-related social movement enable a coffee consumer to become more conscious of their connection to Global South's coffee producers? To explore this link further, an analysis of interviewees with a sample restricted to such movement participants -perhaps in a larger city – would be needed.

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## **Chapter One: Introduction**

What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? This study seeks to answer these questions.

Mass media (television) in 1958 introduced the global Northern coffee consumer to *Juan Valdez*. He was a construct of a Madison Avenue advertising agency (Doyle Dane Bernbach, known as DDB) hired by the National Federation of Coffee Growers of Colombia (Fed café) to represent Colombian coffee farmers. DDB, realizing the potential of *campesino cachet*, invented a name (*Juan Valdez*) “even gringos [North Americans] could pronounce”(Fishbane 2007: 1). Thus, the global Northern coffee consumer now had a consciousness, constructed by an ad agency, connecting the consumers’ morning brew to its southern coffee producer.

The fictional *Juan Valdez* has been the brand symbol of Colombian coffee for more than fifty years. He represents an indigenous coffee farmer (from the global South), going to market. He walks alongside his mule, Conchita, who carries sacks of harvested coffee beans. To Doug Towne, editor at the Society of Commercial Archeology (SCA), “More than a marketing tool, he [*Juan Valdez*] represents a very real and vital percentage of Colombian society... [k]ind of like if the American flag, baseball and apple pie could be personified in a single U.S. citizen”(Kiniery 2011: 2). Was this to be the consciousness that the Northern Fair Trade coffee consumer would have of the southern coffee producer?

On the one hand, what makes this image so attractive to the global Northern coffee consumer is that *Valdez* is presented to viewers of this commercial as an “authentic farmer” bringing the consumers’ coffee directly to the market. What we (the television viewers) were led to believe through this advertisement was Colombia’s successful coffee product was delivered

directly to the market by the indigenous farmer himself. The TV commercials asked, “Where do the beans come from?” and the actor, *Juan Valdez*, strolling through lushly planted hills, would answer, “I hand-picked them myself”(Fishbane 2007: 1). Clearly, we are viewing a dedicated worker who is ultimately serving us, the consumer, through his tireless efforts to secure that his product gets through a coffee supply chain from tree to cup. On the other hand, if *Juan* picked the beans himself, the image implies an indigenous farmer “who serve[s] to underscore the tedious and poorly paid work of picking coffee beans for export”(O'Barr 2010: 14). The differences are clearly depicted in this imagery between those who produce, the *Valdezes* of the global South, and those who consume from the global North.

William O’Barr (2010), professor of cultural anthropology, sociology and English, views Valdez as an all-too-familiar depiction of “us versus them.” We clearly make the distinction of the coffee farmer who is different from “us” in the very imagery of his dress and demeanor alongside an animal transporting his product to a market which we infer is located at a distance from the lush tropical landscape of his coffee farm (O'Barr 2010). This imagery rearticulates the dominant relationship representing the established traditional global capitalist production that accepts a distinct global division of labor: the impoverished laborer, the “other,” growing a coffee product that will be purchased by a socially responsible, ethically conscious coffee consumer. The social inequality of this image represents the global system of traditional capitalism. *Juan* may be the ultimate spokesperson for the brand (Colombian coffee), but the conscious Northern coffee consumer is the ultimate decision maker purchasing this commodity (coffee).

On the one hand, for the coffee drinker I have identified as *purchaser*, for purposes of my study, the differences above, *us versus them*, may not be a part of the purchaser's conscious decision when purchasing a coffee product. On the other hand, for those that I have identified as *ethical or conscious* consumers, they have increased interest in the consumption of Fair Trade products. For them, incorporating ethical aspects in relation to the production process is essential. Critical to the ethical consumers are clear and transparent global labor standards which I define as Fair Trade (FT) throughout this study.

Fair Trade's mission, starting in the mid twentieth century, was a new phenomenon of socially responsible players, who articulated a new message of ethical purchasing and consumption (for my purposes I identify the consumption of the coffee product), providing a "heavy hand in the rearticulating of the norms and common sense of global capitalism" (Cole 2008: 172). The proponents of Fair Trade, in their early descriptions of FT's purpose, stated emphatically that Fair Trade, by creating market access (typically to Northern consumers) under beneficial rather than exploitative terms, afforded the most disadvantaged producers in developing countries the opportunity to move out of extreme poverty.

My research will add to the knowledge concerning consumer response to FT coffee by exploring the nature of consumer preferences for FT coffee in Long Island, New York. My study includes insights from twenty semi-structured interviews and observations I made at nine sites throughout Long Island, New York, covering 118 miles (190 km) eastward from New York harbor to Montauk Point. Long Island is the 11th largest island in the United States. The racial distribution of these two counties together (Nassau County and Suffolk County) is 82% White,

10.2 % Black, 16.3% Hispanic, .05% Native American, and 6% Asian (**Long Island New York Guide 2015**).

My participants are drawn both from the local residents which number 1,339,532 in Nassau County and 1,518,475 in Suffolk County, and from tourists visiting this island in the summer months.

Throughout my dissertation, I will focus on my research questions which I have identified below.

### ***I. Research Questions***

The overarching question of my study asks: What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers, and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? Specifically, my study addresses the following three questions:

1. How conscious are consumers of Fair Trade coffee products of their connections to the global South's coffee producers, and what is the extent and content of that consciousness?

In the next chapter I explore the literature on the consciousness of consumers, the distinction between an attitude of ethical consumerism, and the behavior of the consumer. Studies I have referred to in my literature review illuminate this consciousness.

My study explores the content of consumer consciousness as it directly relates to the extent of Northern consumers and their connection to the global South's coffee producers.

2. How do pre-existing and newly emerging networks among Fair Trade consumers, and between them and promoters of Fair Trade, promote consumer consciousness?

This is significant because it ties together the links that forge the bonds between the Fair Trade movements' dedicated promoters, allowing an interchange between them and the conscious/ethical Fair Trade consumer searching for information about Fair Trade products. The preexisting networks have set the foundational framework for the original success of Fair Trade within the social movement milieu during the mid to late twentieth century.

It is unclear whether the twenty-first century's newly emerging networks will retain the original mission, goals and transparency that ethical consumers have come to trust.

### 3. How do mechanisms of social capital facilitate these networks?

Literature on this linkage indicates that there is a mechanism of social capital that enables the FT movement to link civic engagement and intra-community activity in a final visible successful outcome: the Fair Trade town.

The questions above become the guideposts and roadmaps for my research and establish the relationship between my dissertation analysis and its theoretical and/or practical applications.

I chose a qualitative methodology with twenty semi-structured interviews illuminating the differences in the awareness of social actors and the impact of the concept of social capital shaping their consciousness. The twenty social actors interviewed for this study included coffee consumers, business owners selling and distributing Fair Trade products, and roasters/baristas of Fair Trade coffee.

Coding the answers to the questions asked during the interview enabled me to identify and categorize the level and extent of consciousness of the twenty participants in my study.

## ***II. Contribution of the Research***

This research will be a contribution to the literature on:

**A. Conscious/ethical consumers:** This study is important in part because it defines and conceptualizes the social actors who are consumers of Fair Trade coffee whose consciousness may be shaped by networks and social capital as to the degree, level, and linkages connecting them to certified Fair Trade products and movements.

**B. Social Capital:** *This study is important because it is the first research in the United States (after an extensive search, I found only one other study, from Europe which focus on social capital's relationship to both the Fair Trade movement and ethical consumers (Besnard, F., M. D'Alessio, and O.W. Maietta. 2006).* The success of this concept of social capital depends on social actors working in solidarity in the Fair Trade movement or individually as conscious or ethical consumers. Social linkages and networks are beneficial to society as a whole, generating social capital not only in the global South or global North but also linking social actors to serve a common purpose.

**C. Fair Trade:** This study fills a gap in knowledge concerning consumer response to Fair Trade (FT) coffee by exploring how consumers make their choices about FT coffee in Long Island, New York.

Ultimately, in a practical sense, this study is important because a conscious consumer of Fair Trade coffee products involved in networking may have the social capital attributes needed to potentially make a substantial difference in the quality of life of the Southern coffee producer. A quick review of the next chapters illuminates the current scholarly literature, the concepts I have outlined above, the methodology, and data analysis with a final conclusion.

The next chapter reviews several diverse literatures that inform this study. It summarizes the basic principles of Social Capital, Fair Trade theory and praxis, and an understanding of the

connection of social networks and mechanisms of *social capital* among consumers and Fair Trade promoters that may facilitate Fair Trade networks.

Chapter Three begins the conceptual approach, highlighting the seven key points distilled from the literature review. This section is followed by a description of the scope conditions and the units of analysis: the key social actors both within and outside the Fair Trade coffee supply chain. The themes section includes the themes I seek to analyze from my document and interview data. A thorough discussion of the theoretical and/or practical significance of my research questions completes chapter three.

Chapter Four details my methodology, which relies on two kinds of data: existing documents and semi-structured interviews. The key questions making up my interview guide are identified and a thorough examination of the results follows in Chapter Five's analysis.

According to sociologist Seidman (2006) and his evaluation criteria, I believe that the sites and range from which I selected my twenty participants generated a sample that, while non-random, still represents a wide range of the relevant coffee-consuming and coffee-selling populations of Long Island (Seidman 2006: 52-56).



## **Chapter Two: Literature Review**

This review briefly examines several diverse literatures that inform this study. First, it summarizes the basic principles of *social capital*, which may help shape the consciousness of Fair Trade coffee consumers in the global North. An exploration of Fair Trade literature illuminates the context in which I seek to examine the consciousnesses of Northern Fair Trade coffee consumers as it intersects with the quality of life of the Southern coffee producers. A further exploration of the literature seeks to reveal the connection between social networks and mechanisms of *social capital* among consumers and Fair Trade promoters that may facilitate these Fair Trade networks.

### ***I. Social Capital Theory***

Lyda J. Hanifan, a West Virginia state supervisor of rural schools in Elkins, Belington, Charleston, and Welch for nearly 10 years, is credited with originating the term *social capital* (Hanifan 1916; Putnam 2000). Hanifan referred to social capital not as real estate, personal property or cash, “but rather to that in life which tends to make these tangible substances count for most in the daily lives of a people” (Hanifan 1920: 78). He often cited neighbors as a prime example of how *social capital* is accumulated over time in small rural communities (Hanifan 1916). Good will, fellowship, sympathy, and social intercourse are terms used by Hanifan, describing individuals and families who make up a social unit (Hanifan 1920: 78).

Hanifan’s definition of the attributes of social capital as social accumulation is embedded in the community. Social actors become part of a larger group, cooperating for the substantial improvement and well-being of life in the whole community. In the 1990s, Hanifan’s work in regards to social capital became very relevant as a roadmap for that generation of sociologists

(Flora 1998). A review of the literature finds that this concept lay dormant throughout the early part of the twentieth century, only to find a revalorization in the late twentieth century literature.

Ostrom and Ahn's (2003) extensive review of social capital literature brought to light social capital as a current concept, defining it as:

1. Resources for human capital accumulation and action (Coleman 1988; Coleman 1990).
2. An individual attribute or a social characteristic of an individual (Bourdieu 1986).

Noted sociologist Pierre Bourdieu (1986) defined the word *capital* as it presents itself in three fundamental guises:

1. *Economic capital*, which is immediately and directly convertible into money and may be institutionalized in the form of property rights;
2. *Cultural capital*, which is convertible, on certain conditions, into economic capital;
3. *Social capital*, made up of social obligations ("connections"), which is convertible, in certain conditions, into economic capital (Bourdieu 1986: 47).

For Bourdieu *social capital* is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition (membership in a group) which provides each of its members with the backing of the collectivity-owned capital, "a credential which entitles them to credit, in various senses of the word"(Bourdieu 1986). These relationships may exist in a practical state, in material and/or symbolic exchanges which help to maintain them. He views the "network of connections" in terms of the volume of social capital that can effectively be mobilized by one individual, or given agent, and on the volume of the capital – economic, cultural or symbolic. Bourdieu posits that social capital is never completely independent: the

exchanges instituting mutual acknowledgment presuppose the re-acknowledgment of a minimum of objective homogeneity. This objective homogeneity exerts a multiplier effect on the capital he (the agent) possesses in his own right. Sociologist James Coleman (1988) expands on Bourdieu's definition, by incorporating two other elements which define social capital.

For Coleman, *social capital* reflects a particular kind of resource available to an actor, comprising a variety of entities which contained two elements: they all consist of some aspect of social structures and they facilitate certain actions of actors – whether they were persons or corporate actors within the structure. Coleman posited a clear causal link between social capital and access to resources. He theorized that through processes such as establishing obligations, expectations and trustworthiness, these can be useful capital resources for actors. These create channels for information (**Coleman 1988**). Once again, the concept of social capital was to expand dramatically during the next decade.

By 1993, *social capital's* definition expanded, once again, to include the characteristics of a collective action: norms and associations for collective action, social relations (formal, governmental, and civic) and for action (Besnard, D'Alessio, and Maietta 2006; Fukuyama 2000; Putnam 1993; Woolcock 1997). In sum, *social capital* could include resources that individuals (Anderson 2010) could gain through work with others (Anderson 2010; Coleman 1988; Flora 1998; Ostrom and Ahn 2003; Portes 1998; Putnam 2000, 2001). As the twenty-first century was approaching, this concept of social capital was to be incorporated into the other forms of capital accepted in scholarly literature, though not without its critics. Economists as well as sociologists (see Claude Fischer's critique below) were now focusing on the concept of social capital and its applications. Steven N. Durlauf, professor of economics, University of Wisconsin-Madison,

wrote of the case “against” social capital. In his 1999 article he called into question the current boomlet in policy and academic circles for social capital. He cautioned all academics not to see this concept as a panacea for all society’s failures or successes. “[T]here is strong reason to ask whether the rise in interest in social capital is due to its demonstrated strength in elucidating socioeconomic phenomena or whether it is the intellectual equivalent of a stock market bubble” (Durlauf 1999: 1). With the dearth of evidence that social capital could produce successful outcomes, Durlauf questioned both the importance which some have attributed to social capital and whether it is ultimately as benign a phenomenon as its advocates assume. He does see its relevance when there are environments with externalities of various types where a specific group may produce hostility from others and may produce stereotypical thinking and intergroup bias. This may be a critical concept as I explore the relationship between the global Southern coffee farmers in Fair Trade coops and the global Northern coffee consumer. Durlauf suggests in his implications for research that new theoretical and empirical work is needed on (1) the meaning of social capital, (2) its net effect on societal welfare, with appropriate attention to the possibility of its generating negative outcomes, (3) its empirical significance in influencing individual decisions, and (4) a balanced assessment of intergroup as well as intra-group relations, so that the adverse effects of group identity on both members and others are properly assessed. “[A]fter all, academics are a class of individuals who should be especially sensitive to the costs of enforced conformity”(Durlauf 1999: 4). By the twenty first century, new meanings and debates about the concept of social capital were emerging.

Utting (2008) re-conceptualized Hanifan’s social capital, including it as one of five forms of capital listed here with brief examples:

*Human:* skills, knowledge, ability, labor, empowerment, and good health;

*Financial:* the financial resources used to support livelihood objectives (wages, credit, remittances, savings, etc.);

*Physical:* basic infrastructure and producer goods (tools and equipment);

*Social:* networks, participation and decision-making, connectedness, membership in groups, social safety nets; and

*Natural:* natural resource stocks from which services are delivered (Utting 2008).

Building upon the concept of human capital, sociologist Robert Putnam (2000) acknowledged that social capital is much more than just the additional resources one gains through connections. He expanded *social capital* to include the connections themselves, and the social networks and the norms of reciprocity and trustworthiness that arise from them. These social networks have inherent and intrinsic value both to individuals and society at large. Members of a social network participate in exchanges of goods and cooperative labor for a common purpose. In praxis this could be a place, such as a school in a community (Coleman 1988; Hanifan 1916), or an Italian village (Putnam 1993).

Similar to Putnam's terminology, sociologist Claude Fischer sees individuals' bonds to one another as the essence of society (Fischer 1982: 2). Unlike Putnam's expanded use of networking (bridging and bonding), Fischer questions the modern [1980] definition of the term network which is now being turned into a verb, as in networking or being networked. He begins to question the broader use of the term networking. "And perhaps the network idea has become popular in policy circles because networks have been discovered to be social support systems" (Fischer 1982). He continues, "Whom we know and whom we can depend on influences our

success in life, our security and sense of well-being, and even our health” (Fischer 1982). By 2000, Putnam broadens the definition of networking through use of the internet, which he believes will enhance our networks to include worldwide connections. Putnam defines the social capital theory as one that applies not only to the immediate community one dwells in (bonding with personal networks), but one that also applies to a large proportion of people who purport to use the internet for making important life decisions and connections beyond their immediate dwellings (bridging). “Internet chat groups may bridge across geography, gender, age, and religion, while being tightly homogeneous in education and ideology” (Putnam 1993: 23).

[Quan-Haase and Wellman \(2004\)](#), asking how the internet affects social capital, argue that “The Putnam-Fischer debate is a continuation of a 150-year long tradition in the social sciences to see if community is declining or flourishing since the Industrial Revolution. Analysts contrast contemporary community life with pre-industrialized communities, composed mainly of locally-based interactions in closely-bounded, homogenous groups” (Quan-Haase and Wellman 2004: 1). My research covers both the perspectives of the global Northern coffee consumer and the producers of coffee in rural cooperatives, those that Quan-Haase and Wellman defined above as pre-industrialized communities, composed mainly of locally-based interactions in closely-bounded, homogenous groups.

E. N. Castle (2002), a rural sociologist, believes social capital is, in his words, not just a social theory, nor a source of normative goals, but also “offers a rationale for successful extension programs [in praxis], and justifies rural sociologists’ tradition and emphasis on rural communities, organizations, and institutions.” He adds that social capital “holds the prospect of enriching research agendas in both rural sociology and rural economics” (347).

In theory and praxis, successful social networks can display the following social capital characteristics embedded within them: *mutual benefit, reciprocity, bonding and bridging, obligations and expectations that can be identified, and information channels that can open communication* (Alexander and Nicholls 2006; Coleman 1988; Coleman 1990 ; Flora 1998; Prakash and Selle 2004; Putnam 2000). Social networks, when defining communities, can be formal or informal and exist locally or globally.

Fischer asks students of community to keep the following questions in focus as we analyze the communities of preference we are researching. “What shapes relations, and what consequences do different relations produce? For example, what types of people, living where, living when, turn to kin or to friends or to professional associates for various kinds of aid, or advice, or companionship” (Fischer 1982)? Can communities across the globe be connected by a common cause?

Social networks can develop top down as a development strategy (World Bank 1997) or bottom up as an alternative to traditional marketplace trading (e.g., exemplified by the Fair Trade organization *Ten Thousand Villages*). They connect producers to the consumers of their products. The World Bank study in 1997 gave the empirical evidence that social capital in the form of social networks can affect economic performance in both top down and bottom up forms (Uphoff 2000). However, the question remains today as relevant as it has during the past twenty years: is social capital considered as group membership participation and/or as networks of social ties?

Sociologist Claude Fischer, addressing the 2001 American Sociological Association annual meeting, critiqued Putnam’s concept of social capital as a “dreadful metaphor” (Fischer 2001: 3). According to him, it is a metaphor that misleads. “[i]t is a metaphor that tends to

expand in all directions like a swamp in wet weather” (Fischer 2001: 3). He expands on this by stating his views that sociological phrases like membership, family, sociability, and trust serve perfectly well in place of social capital. Putnam, he emphasizes, needs to produce more than an assumption that the trust norms are a package with networks.

Fischer ponders the term social capital and considers that this economic terminology, social capital, probably allows the sociologist “[m]ore access to the ears and wallets of the powers that be than simply writing about friendship and church attendance....” Answering his own statement, in the end he decides we still must separate our ideologies: “[T]hey [economists] have their kinds of capital, we have ours” (Fischer 2001: 3). In his final analysis, Fischer asks: can social ties and warm feelings be used to produce financial wealth? It may just produce more social ties and warm feelings. This “dreadful” metaphor, he states, casts more confusion than light. Attesting to Fischer’s warning about the term *social capital*, by 1999 economists (see Durlauf, 1999) in the University of Wisconsin journal, *Focus*, began publishing numerous articles examining the concept of, and research on, “social capital.” To the economists it was by no means clear as to what the concept embraced.

Addressing Fischer’s use of social networks, Putnam notes that Fischer is a sociologist of friendship for whom, “Social networks are important in all our lives, often for finding jobs, more often for finding a helping hand, companionship, or a shoulder to cry on”(Putnam 2000: 20). The changes in how people communicate, however, have created a need to develop new models for conceptualizing community. The conceptual debate using economic terminology (capital) vs. sociological terminology (networks of social ties) continues amongst the differing disciplines. Can this concept be justified as operational within a coffee commodity chain, or is it merely



rhetorical? Embedding this concept within the coffee commodity chain between the rural global Southern coffee producer and Northern coffee consumer may provide some insight into maximizing its utility, as well as providing a mutually beneficial collective action.

Conceptualizing the rural global Southern coffee producer's connection to the global Northern coffee consumer through the concept of social capital illuminates the mechanisms of social capital that could facilitate successful networks. The attributes of social capital are embedded in the Fair Trade market phenomenon through the concept of Fair Trade as a collective action, coordinating efforts on behalf of shared interests, taken not just for one's own sake, but because others can benefit from it in addition to oneself (Baron, Field, and Schuller 2000; Besnard, D'Alessio, and Maietta 2006; Tilly and Tarrow 2007; Uphoff 2000). "If individual clout and companionship were all there were to social capital, we'd expect foresighted, self-interested individuals to invest the right amount of time and energy in creating or acquiring it. However, social capital also can have 'externalities' that affect the wider community, so that not all the costs and benefits of social connections accrue to the person making the contact" (Putnam 2000: 20). This collective action, on behalf of both the producers in their cooperatives and those consumers who are conscious of this connection, may be the essence of social capital. Through the Fair Trade commodity chain, these networks contribute to cooperation specifically for a mutually beneficial collective action (Tilly and Tarrow 2007; Uphoff 2000).

Fair Trade, its market, its consumers, and the networks that have promoted this phenomenon have burgeoned during the last half of the twentieth century, particularly in the coffee industry. How conscious are consumers of Fair Trade coffee products of their connection

to the global South's coffee producers, and to the extent they are, what is the content of that consciousness? Do pre-existing and newly emerging networks among and between Fair Trade consumers and promoters of Fair Trade, promote this consciousness?

The following section of this chapter will review literature on Fair Trade theory that will explore all the questions asked above.

## ***II. Fair Trade***

This study's literature review on Fair Trade demonstrates the array of scholarly work, which illuminates FT's wide acceptance among social scientists who study it. The fields of sociology, economics, and political science have provided much empirical illumination of this market-based mechanism.

During the past three decades the Fair Trade phenomenon has been championed as:

1. ethically branded goods with Fair Trade labels for ethical consumption (Harrison, Newholm, and Shaw 2005; Luetchford 2008; Nicholls and Opal 2005).
2. an alternative trading system (Global Exchange 2011),
3. a producer-consumer dyad (Luetchford 2008; Nicholls and Opal 2005),
4. a moral charge (Jaffee, Kloppenburg Jr, and Monroy 2004), and
5. a combination of social movement, development project and commodification of new realms that articulate modes of social transformation (Fisher 2007).

Fair Trade's proponents cite its original mission as an alternative to neoliberal free trade, an alternative trading system benefitting the producer who, in the free trade system, has neither voice nor influence in this second most traded commodity after oil. This is a stirring debate in the twenty-first century as some Fair Trade coffee promoters have formed alliances with both large

plantation owners and chains of retailers, including supermarkets such as Wal-Mart. These alliances have been seen as changing the original mission and direction of this Fair Trade phenomenon (Just Coffee, 2012; Jaffee 2012; Moore 2004; Redfern and Snedker 2002; Tilly and Tarrow 2007).

For the purposes of my research, I define Fair Trade as a producer-consumer dyad with mutual benefits for the ethical/conscious consumer of certified Fair Trade coffee. Embedded in this framework is the concept of social capital with attributes which may contribute to a successful networking of Fair Trade actors outlined below.

Fair Trade (FT) emerged in the late twentieth century as the most important market-based mechanism to improve the lives of producers in developing countries (LeMare 2008; Nicholls and Opal 2005; Raynolds 2002). FT was proposed as a response to the traditional marketplaces' 1980s neoliberal free trade market regime which was seen as being balanced on the backs of poor developing countries (Nicholls and Opal 2005). Its proponents created Fair Trade as a movement to challenge the traditional neoliberal view of commercial conventions through a reconsideration of the meaning of fairness in commodity prices, market exchanges, and global North-South relations (Raynolds 2000).

The proponents of Fair Trade, in their early descriptions of FT's purpose, stated emphatically that Fair Trade, by creating market access (typically to Northern consumers) under beneficial rather than exploitative terms, afforded the most disadvantaged producers in developing countries the opportunity to move out of extreme poverty.

As more organizations came forward and identified themselves as FT, one of these proponents, Carol Wills, of *The International Federation of Alternative Trade*, posited "that their

growing popularity indicated the degree of interest that there is in this rather special kind of trade that deliberately sets out to make a difference to the lives of marginalized people” (Nicholls and Opal 2005: 3). These statements are critical to the success of the Fair Trade movement through the flow of communications of the actors involved throughout the Fair Trade supply chain.

During the middle to end of the twentieth century, alternative international networks coalesced around alternative market strategies to promote native handicrafts internationally. The selling of these products from developing countries to purchasers in the global North created niche markets, forging consumer (of the specialty, niche markets) consciousness and connectedness between themselves and the producers. Through this connection the ethical consumer was introduced to the moral and ethical motivation of the transactional process. As markets expanded and incorporated Fair Trade products such as coffee, newly emerged networks developed and expanded the social actors to now include producers, consumers and promoters, as well as roasters, exporters, retailers and wholesalers of these products.

#### **A. Fair Trade Network: Preexisting/Newly Emerging Networks**

How do pre-existing and newly emerging networks among Fair Trade consumers, and between them and promoters of Fair Trade, promote consumer consciousness? In order to begin exploring the connections between the networks and promoters of Fair Trade coffee and the consumers of this product, I need to identify the preexisting and newly emerging networks.

Promoters of the Fair Trade coffee network can be organized into the following:

1. Alternative Trade Organizations (ATOs) in North America. An example ATO is *Equal Exchange*. *Equal Exchange* was created in 1986, envisioning a food system that

empowers farmers and consumers, supports small farmer co-ops, and uses sustainable farming methods (Equal Exchange 2011).

2. International Fair Trade groups, such as the Fair-trade Labeling Organizations International (FLO), The European Fair Trade Association (EFTA), Oxfam International, and Global Exchange.

In 1997, all of the Fair Trade national certification entities formally united their efforts and created a worldwide umbrella fair-trade certifier; FLO International is based in Germany and operates under German law. The FLO's purpose is to "set Fairtrade standards, support disadvantaged producers and coordinate the development of the global strategy on Fairtrade" (Fair Trade Resource Network 2011). The FLO is set up to reflect a cooperative and democratic process which meets once a year to vote on board members, other membership issues, and to approve annual accounts with each member having one vote (Fair Trade Resource Network 2011).

3. National Fair Trade networks, such as FairTradeUSA (formerly TransFairUSA).

Originally a part of Fair-trade Labeling Organizations International (FLO), it split with the international organization to expand the definition of Fair Trade to include large plantations. As of 2012, it has redefined its own certification process and includes retailers such as Wal-Mart, Starbucks, Newman's Own, and Green Mountain coffee with its own logo on each product (the critique of their split is discussed below).

Alternative networks have existed since the 1940s and 1950s with differing strategies for a fairer and more ethical distribution of wealth through alternative forms of trade. The Fair Trade networks listed above reached out significantly in the 1980s to help send coffee products from

Nicaragua during the United States' embargo. I consider these networks as a collective action of activists working outside the Fair Trade commodity chain. Their primary mission, as stated in their literature (Global Justice, Oxfam, and Third World Network), has been one of education working on Fair Trade campaigns to educate the public to the advantages of buying Fair Trade products and help as catalysts to develop Fair Trade cooperatives which benefit the producers in the global South.

Fair Trade coffee cooperatives in Latin America, particularly in Mexico, had newly emerged as the alternatives to the neo-liberal traditional global coffee market. An example is the *UCIRI* (Union of Indigenous Communities of the Isthmus Region) that formed a partnership with European organizations and the broader international Fair Trade existing network (Fridell 2007). Since the 1980s and through the cooperative effort of the Northern Fair Trade coops, buyers and exporters, UCIRI has developed coffee-processing, as well as, health and education facilities with documented archives of their achievement (Fridell 2007).

The current vision of the Fair Trade network, reforming the existing system, is based on significant international and national market regulation. It is substantially different from the old vision of the network in which the Fair Trade network was to play a role in laying the groundwork for a broader movement that aspired, ultimately, to the creation of an alternative trading system.

The current debates within these networks center on a new context of working with, rather than in opposition to neoliberal reformers. Does the network represent a challenge to neoliberal globalization and an alternative model of development (Oxfam International), or does it join forces with the traditional marketplace, interpreted by its advocates as mainstreaming, and

denounced as co-option by the anti-free trade activists in FLO (LeMare 2008; Luetchford 2008; Utting 2008)?

According to Jaffee (2012) the loss of initial direction in the movement itself has the potential of splitting the Fair Trade movement and diluting its success. On the one hand, Fair Trade has succeeded partially in “re-embedding” market exchange within systems of social and moral relations. On the other hand, FT has been co-opted by the power of corporate actors (Jaffee 2012). Jaffee, a sociologist at Washington State University, speaks to the concern that large companies will use the Fair Trade seal to do what they call “fair-wash,” to get the halo effect and perhaps confuse consumers about their overall practices. On the one hand, ethical consumers are willing to pay more for products many see as grown in a more ethical fashion. On the other hand, more companies want to grab a share of that market and, when they start to do so, raise questions about whether standards are being diluted (Gram 2012). The cooptation had begun by 2012 with the announcement from Fair Trade USA that it was officially splitting from the international labeling/certification organization, FLO.

With the effective date of December 31, 2011, Fair Trade USA (formerly TransfairUSA), choosing to increase its market share (a new policy decision), announced that it is resigning its membership in FLO. FTUSA’s resignation from the FLO system was partially due to its new initiative, “Fair Trade for All,” which it claimed will “double the impact” of Fair Trade by 2015. Included in “Fair Trade For All” were plans to include Fair Trade “plantations” in their new standards, first in coffee commodities, drawing widespread condemnation of this new announcement. In their November newsletter, the *Organic Consumers Association* (OCA), an online and grassroots nonprofit 501(c)3 public interest organization campaigning for health,

justice, and sustainability stated their criticism: “*Fair World Project* (FWP), a campaign of the *Organic Consumers Association*, claimed Fair Trade USA's (FTUSA) new standards for accreditation hoodwink consumers into believing they are supporting social change” (Webb 2011). FTUSA’s revision of its standard policy has diminished its once highly respected standing in the global certified Fair Trade movement. It is no longer regarded as a reputable organization by Fair Trade advocates devoted to the FLO’s mission. To carry the FTUSA “Fair Trade Certified (Ingredients) mark”, now a product need only contain 10% certified fair trade ingredients, and to carry the “Fair Trade Certified” mark, a product need only contain 25% certified fair trade ingredients. Once those content thresholds are met, FTUSA will not require that fair trade ingredients be sourced and used even if they are commercially available in fair trade form, a key requirement of any conventional fair trade certification scheme such as FTUSA’s former parent organization, the FairTrade Labeling Organization.

Many producers rely heavily on the US market for sales and distribution. FTUSA’s plans have drawn serious criticism. “FTUSA’s decision has drawn the widespread condemnation of Fair Trade producer networks. . . . It is inconceivable than an organization whose organizational values include ‘striving to always act ethically’ . . . would advance a program without the knowledge or consent of the very producers it aims to support” (Fair World Project 2011).

According to Webb (2011) Fair Trade is at a critical crossroads. Despite the incredible potential in the United States to support ethical and fair companies and initiatives, the market is overrun with hundreds of labels and certifiers, many with questionable ethics and standards. “To assure that Fair Trade continues to empower and support impoverished farmers worldwide, FWP will continue to monitor the development of Fair Trade standards and engage consumers in the



fight for Fair Trade integrity” (Webb 2011). For a full explanation of this split and its effect on the Fair Trade movement, see Appendix H: *FWP’s Statement on Fair Trade USA’s Resignation from Fairtrade International (FLO)*.

By April 2012, after FTUSA ended its affiliation with the international Fair Trade Labeling Organization (FLO), committed stakeholders had started a dialogue initiative to clarify the direction for the Fair Trade movement in North America, with the goal of upholding its benefits for marginalized producers around the world (Just Coffee 2011). Angered by FTUSA’s decision, Fair Trade activists and business people needed to refocus their efforts and take action to assure that Fair Trade’s certifications were going to be upheld. “This decision has created much chaos and has also had a very positive effect. For the first time in more than a decade, Fair Traders in the USA and Canada are less focused on complaining about the US certifier (FTUSA) and are more focused on organizing ourselves so that certification is not the main organizing force in Fair Trade” (Rosenfeld 2012).

The initiative, called the *North America Fair Trade Stakeholder Council*, began with a proposal for a process leading up to a summit of around forty to fifty nonprofits, advocacy organizations, committed companies, producer/farmer/worker groups, academics and others, who held conference calls and email discussions over several months. The activists, promoters and educators who were networking for this purpose – the Fair Trade Resource Network (FTRN), Fair World Project (FWP), and Domestic Fair Trade Association (DFTA) with the help from the Fair Trade Federation – comprised the organizing committee leading the initiative. Clearly absent on the list of organizations participating in the council was Fair Trade USA,

Green Mountain and Starbucks (the two largest marketers of Fair Trade coffee in the United States) (Gram 2012). The Council seeks to advance these four goals:

- Define Fair Trade and the movement, what Fair Trade is and is not.
- Organize the North American Fair Trade movement under a coordinated infrastructure with a common vision.
- Reach agreement on a plan for cooperation and accountability within the movement.
- Develop a clear external message for the movement.

(*Fair Trade Resource Network* newsletter, 2012, accessed 1/10/12).

In response to the critics of FTUSA in the summer of 2012, President and CEO Paul Rice defended its initiative and defended Fair Trade USA's position:

“There are many voices within the Fair Trade movement, united by a common mission to alleviate poverty and promote sustainable development. While Fair Trade USA and FLO share the same mission, we have differing perspectives and strategies on how to reach our goals. Ultimately, our membership in FLO became a significant constraint on our efforts to add value to industry and expand impact for more farmers around the world. By leaving FLO, we now have the freedom to innovate and evolve the Fair Trade model with better results for all” (Fair Trade USA 2012).

On the other side of this fight, Jonathan Rosenthal – co-founder of *Equal Exchange* and *Oké USA* and executive director of *Co-op Coffees* – made a plea to all interested in Fair Trade on November 15, 2012 to continue the discussion.

In a 2014 keynote address Jonathan Rosenthal spoke once again about TransFair USA:

“My keynote talk was originally inspired by an experience I had a few years ago with the TransFair USA (now [Fair Trade USA](#) or FTUSA) website. When they started they told the story of Fair Trade starting in the 1940's and moving up to include Equal Exchange, certification, and had a movement perspective. As they got more

powerful I saw the history erased. Today, there is no mention of any history of Fair Trade, as though it was invented by F-TUSA” (Sera 2014).

To assure that Fair Trade continues to empower and support impoverished farmers worldwide, FWP states (see Appendix H) that it will continue to monitor the development of Fair Trade standards and engage consumers in the fight for Fair Trade integrity.

All networks represent actors and for the purposes of my dissertation research, my unit of analysis will be the social actors identified with the Fair Trade Movement. The next section explores and identifies these actors.

### **B. Fair Trade: Actors/Consumers**

Consumers are the broadest category of actors who consume a material product within the consumer culture. There is plenty of scope for the continuation and change of consumption habits (Harrison, Newholm, and Shaw 2005).

Bertell Ollman (Ollman 1998) critiqued our involvement in consumption, positing it does encompass more than acts of purchase and consumption. “With the explosive expansion of *consumerism* – of the amount of time, thought, and emotion in buying and selling and preparing for (including worrying about) and recovering from these activities – the market has become a dominant, if not *the* dominant influence in how people act and think throughout the rest of their lives” (Ollman 1998).

It is within this intense consumer cultural context that I will explore the social actors in my study, a group of consumers that I have identified as “ethical.” I focus on ethical consumers who care whether a corporation employs women and members of a minority group, and who are concerned about Fair Trade in developing countries (Harrison, Newholm, and Shaw 2005).

Harrison et al. (2005) describe ethical consumers as those who may have political, religious, spiritual, environmental, social or other motives for choosing a specific product. “Though they may disagree on the specific product, these ethical consumers have one thing in common: concern with the effects that a purchasing choice has not only for themselves, but also for the world around them” (Harrison, Newholm, and Shaw 2005).

Consumer interest in making ethical purchasing decisions has grown in recent years. In a working paper by Ellis and Keane (Ellis and Keane 2008), they cite a market research study conducted by Nielsen (2007) which found that 33% of survey respondents actively tried to buy Fair Trade products as of July 2007, whereas 21% actively tried to buy ethically produced or grown products, 57% tried to buy local products and 17% tried to buy organic products. The desire to buy ethical products may not always result in actual purchases, particularly when ethical products cost more. These ethical consumers (whom I identify as conscious/conscience consumers in Chapter Three) are concerned those retailers exploit developing country producers and that they are confused by the range of ethical labels on products. One third of the survey respondents actively tried to buy Fair Trade products and may have found a Fair Trade movement with the reassurances they desired (Ellis and Keane 2008: 8).

The Fair Trade movement provided the consumers of alternative products with the opportunities to search for products with which they could identify: handmade, fairly traded displaying identifying logos to assure that the product was fairly traded, and within their motive for the choice of it over another (Harrison, Newholm, and Shaw 2005). They are part of, but not necessarily overindulgent in, a consumer culture with its growth in consumerism in affluent societies (Durning 1992). One may ask then: is ethical consumption actually a social movement

and are ethical consumers a counterbalancing force to the traditional neoliberal capitalists (Raynolds, Murray, and Wilkinson 2007)?

These consumers may not be part of a social movement formally linked to an organized group or network of groups that is politically involved in redefining the traditional neoliberal free trade agenda. Ethical consumers, as a category, may be engaging in a more isolated, less movement oriented lifestyle, with a complex set of attitudes, behaviors, motivations and buying habits which may or may not reflect their discourse (Harrison 2005).

“Conscious consumers” is a group I identify as understanding the connection between their purchasing of a Fair Trade products and its impact on the quality of life of the producers of that product. The advocates of Fair Trade goods support marketing global social responsibility and world citizenship to consumers (those who make a conscious purchasing decision that will affect the economic sustainability of global Southern producers) (Linton, Chiayuan, and Shaw 2004). This framework may be embedded in a social capital concept whose attributes can be seen to produce a higher endowment and possible reproduction of social capital (Besnard, D’Alessio, and Maietta 2006). The advocates share social standards and values, interpersonal relationships, and active and passive voluntary activities.

Is there a difference in the purchasing decisions among those purchasing Fair Trade products? There may be. Besnard, D’Alessio, and Maietta (2006), in their study of Fair Trade consumers in two Italian cities, did find a difference. After an extensive cluster analysis they concluded that the consumers in the two Italian cities were not homogeneous in terms of their motivations in the purchase of Fair Trade products, even if the products were considered a niche segment. They posited that the differences could be explained by higher social capital in one city

and not the other. Their findings concluded that the differences could be explained by higher ethical purchasing reasons for purchasing Fair Trade products that prevailed in one city but not the other. Social capital and socially responsible consumption interact and are mutually influenced: “One may suppose that socially responsible consumption is more widespread in those communities with higher endowment of social capital [which] may contribute to its reproduction... consumption can become an instrument of social capital reproduction” (Besnard, D’Alessio, and Maietta 2006: 24).

As of this writing, I have been unable to find any studies that link Fair Trade, ethical consumers and the concept of social capital relating to coffee consumers in Long Island. I have chosen to investigate these links. Does membership in a social movement enable the consumer to become more conscious of their connection to global South’s coffee producers? To the extent they may be, is the content of that consciousness enhanced by this membership? To explore this link I incorporate Social Movement theory in my approach.

### ***III. Social Movement Theory: Fair Trade as a Social Movement***

Social movement theory provides a helpful set of tools to conceptualize and empirically analyze ethical consumers’ Fair-Trade-related consciousness and actions. Contemporary social movements may aspire for internationalist, universal goals, and materialist objectives to meet basic needs for food, shelter, and clothing (Klandermans 2002; Smith, Pagnucco, and Romeril 1994).

Social movements range from those that are radical and all embracing, aimed at totally changing the structure of society, to idea movements aimed at changing the world by changing individual thought, to movements tied to specific ideologies and tactics. They may be engaged in

political or cultural conflicts on the basis of shared collective identities. Social movements may be differentiated from interest groups, political parties, protest events, and coalitions.

Contemporary social movements are a primary agent of cultural change and, in fact, collective actors often explicitly seek to alter the dominant culture (Diani 1992; McCarthy and Zald 1977; Meyer and Whittier 1994). Tarrow (2007) define a social movement as “a sustained campaign of claim making, using repeated performances that advertise the claim, based on organizations, networks, traditions, and solidarities that sustain these activities” (8). According to these authors, true social movements reveal intersections among contention, politics, and collective action, which produce power, shared interests, and government policy. Much of what they define is directed to governments, ranging from ethnic competition to great revolution.

Much of the early Fair Trade literature defines Fair Trade as part of a new social movement (NSM), drawing on the NSM theory literature. NSM theory was developed to better understand various emerging movements characterized by a need to create a sense of collective identity that did not already exist among their prospective participants (Fridell 2007; Luetchford 2008; Reynolds, Murray, and Wilkinson 2007). These early attempts may well be called a social movement campaign which was sustained by organizing public effort, and making collective claims on targeted authorities (Tilly and Tarrow 2007). Following Tilly and Tarrow’s definition above, Fair Trade solidarity was built on an anti-neoliberal free market philosophy. The organizers certified their campaign through the Fair Trade logos, which identified their products, assuring Fair Trade protagonists that they were following the Fair Trade mission statement. As a result, the movement shifted upwards toward a more ethical treatment of marginal producers in developing countries.

The early Fair Trade movement may have fit a new social movement (NSM) model. Its origins can be identified with the new social movement's organizations mission "to assist disadvantaged producers in the global South to become a truly global movement able to incorporate diverse interests in the global South" (Raynolds, Murray, and Wilkinson 2007: 13). By the second decade of the twenty-first century, however, a schism between the international Fair Trade movement and the United States has indeed challenged the original movement's philosophy. Fair Trade, as a social movement, has been seen to have changed its definition and purpose.

During the past two decades, social movement theorists have identified a shift in both theory and praxis of social movement. Changes in the definition of social movement organizations have shifted from emphasis on the state as focus of change toward a focus of corporations as targets (Jaffee 2012). Movements, such as Fair Trade, were typically framed as both a neoliberal turn away from strong state regulation and of processes of economic globalization that has extended the scale of economic activity (Jaffee 2012). Defining Fair Trade as a reaction to the traditional corporate marketplace may have originally fit the social movement paradigm.

Raynolds et al. (2007) defined the Fair Trade movement, at its origin, as having a collective identity focusing on its mission statements from the emerging international ATOs to fundamentally alter conventional trade practices, challenge conventional globalization, and shape the early principles of social justice and equity in commercial relations. Yet, it was also seen as a market seeking to improve social and ecological conditions through maximizing certified sales (Raynolds, Murray, and Wilkinson 2007). The tension arises as Fair Trade both confronts and



engages large corporate actors in the global North and South. This tension in the division of the two aims of Fair Trade, to challenge the existing global trade regime, and to transform it from within, was soon evidenced in a split of the collective identity of this movement.

By the 1990s, the Fair Trade movement would undergo a gradual deradicalization, due in part to tensions present within Fair Trade's left-liberal coalition from the outset, partly to the professionalization of Fair Trade organizations, and also in part to the adoption of a more formal, international certification model (Jaffee 2012).

Jaffee (2012) draws his conclusions of the Fair Trade movement and market from nine years (2001-2010) of extensive sets of interviews and document analysis. He describes Fair Trade's growing interaction with large mainstream trading and retailing firms over the movement's nearly twenty-five year history. He explores the intra-movement tensions around questions of tactics and strategy, particularly over the terms for and the effects of corporate participation and these transnational firms' involvement in the Fair Trade coffee market. He asks: "How should one theorize a social movement that aims to transform the social conditions of production across global industries, but, rather than pushing firms to change their behavior with campaigning tactics, utilizes voluntary certification as its primary tool in an effort to simultaneously recruit and regulate powerful economic actors?" ( Jaffee 2012: 101).

Critics of Fair Trade (Mohan 2010) examine the claims of Fair Trade's proponents that this is an alternative to free markets, one of higher moral ground. In fact none of the principles of Fair Trade... "[i]ntrinsically deviate from the principles of free trade" (8). The author implies that the choices that the consumers make to buy FT products are misguided and may even undermine the trust that these consumers have of FT certified products. To find causes for

confusion about FT, one need look no further than Fair Trade USA's recent decision to expand the certification of Fair Trade products to include larger coffee plantations (Fair Trade USA 2012).

Fair Trade USA, in January 2012, declared that it will no longer be a part of the international FLO certifying organization and instead will operate within the market structure. It is believed, by the protagonists in the FLO, that this undermines the trust of the initial Fair Trade movement and proponents fear this may have the effect of taming the social movement itself (Barratt Brown 1993). Dilution of Fair Trade standards has generated substantial intra-movement conflict and has led to a significant degree of movement co-optation (Coffee 2012: 101; Jaffee 2012).

Referring back to Fair Trade's initial purpose, if the original protagonists of the movement now see Fair Trade as having been co-opted, can it still maintain itself as a movement? This question draws attention to the need to consider how and why collective identities, such as Fair Trade cooperatives, formed. For the purposes of my study, Fair Trade, as a movement, does not provide an adequate basis for a broad assessment of the Fair Trade network or an understanding of the importance of the critical set of ethical actors I outlined previously, the consumers of Fair Trade coffee products.

The critical question remains between Northern and Southern member actors and the groups' abilities to relate local producers' concerns to global level campaigns. What mechanisms have been set up to express the Southern members' concerns for equitable pay for their products, as in the case of the Global Southern producers of Fair Trade coffee? Are the Global Southern producers sitting on boards of directors as equal decision makers? Is there a flow of

communications between global Southern producers and Northern consumers that influences the degree and levels of consciousness of the global North coffee consumers involved in the Fair Trade movement? If so, how? What is the content of that consciousness? Can a pre-existing and newly emerging network be inclusive of Fair Trade consumers and promoters of Fair Trade? Can it promote this consciousness? If so, how?

On the U.S. end, the individuals involved in Fair Trade coffee are people like those who roast/distribute Fair Trade coffee as a business based on established relationships with Southern coops, and also individuals who promote Fair Trade but don't do Fair Trade as a business (Wimberley 2012). I believe that most of what is formally labelled "Fair Trade" in the U.S., i.e., products marked as certified by Fair Trade USA, can no longer be considered a part of the original Fair Trade social movement. Their split with the international organization, FLO, in 2012, made it apparent that their vision was no longer compatible with this internationally accepted organization. FLO standards, codified in 1997, assured its constituents that third party certifiers were transparent. FLO's thirty-one page mission statement and standards were ratified and approved by all those members involved with this international organization (Jaffee 2012).

In Chapter Three, Conceptual Approach, I examine the key points from my literature review, including scope conditions, unit of analysis, develop my themes and reiterate my research questions.

## **Chapter Three: Conceptual Approach**

### ***I. Key Points from Literature Review***

In this chapter I connect the key points in the literature review in Chapter Two with my overarching question: What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers, and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness?

I distill seven key points from the literature review:

#### **A. Consumption of Fair Trade Coffee**

Ethical global North coffee consumers search for connection and involvement in certified Fair Trade products that can be more fully understood as part of a global consumer network, in which the consumption value of goods, such as Fair Trade coffee, is partly defined by the links they (products) generate (Cova 1997; Harrison, Newholm, and Shaw 2005).

#### **B. Mission of Fair Trade**

Some Fair Traders in the United States, specifically Fair Trade USA and associated businesses and organizations, have recently redefined the original mission of *Fair Trade*; they aspire not to fight against globalization, but to attain a greater share of its purported benefits – competition, accumulation, and profit maximization – within a market-based strategy (Global Exchange 2011; Harrison, Newholm, and Shaw 2005; Luetchford 2008; Nicholls and Opal 2005; Third World Network 2012).

#### **C. Fair Trade as a Social Movement (NSM)**

Much of the literature on Fair Trade defines Fair Trade as part of a *social movement*. This movement may be thought of as a *new social movement* (NSM), based on theory developed

to assess a variety of movements that emerged in Europe and elsewhere in the 1960s (Smith, Pagnucco, and Romeril 1994).

#### **D. Fair Trade as Ethical Trading**

Fair Traders promote more *ethical trading* values which they hope will allow everyone, rich or poor, producers and consumers to reap the rewards of the market (Fridell, Hudson, and Hudson 2007).

#### **E. Critics Dispute Proponents' Claims that Fair Trade is a High Moral Ground**

These claims, critics counter, have not been tested. They question the movement's claims of its inclusivity and transparency as well (Mohan 2010).

#### **F. Fair Trade, a Social Network with Social Capital Attributes**

Successful social networks, such as those in the Fair Trade movement, have the following *social capital* characteristics embedded within them: *mutual benefit, reciprocity, bonding and bridging, obligations, expectations that can be identified, and information channels* that keep open communication within the network.

#### **G. Information Networks, Fair Trade, and Social Capital**

Information moves between the Fair Trade branded community (cooperative) and the consumer. This is a relationship driven by concepts of social capital and solidarity: an attempt to concretize the act of bridging and bonding of global and local divides (Putnam 2000; Uphoff 2000). The connectivity evidenced in Appendix B. reflects the mode through which information flows and strengthens the communication network.

## ***II. Scope Conditions***

The geographical and historical setting for my study will include the global North Fair Trade coffee network in both the United States and Europe. The historic data from my secondary research covers the period of the late twentieth century until present day. For my interview data, I draw from the population of adult coffee consumers and coffee sellers on Long Island in 2012.

## ***III. Units of Analysis: Social Actors***

The actors both within and outside the Fair Trade coffee supply chain are illuminated in Appendix A. I divide these actors into four types of Fair Trade movement protagonists (Wimberly 2010).

- consumers
- retailers, exporters, and buyers in the Northern supply chain
- promoters outside of the supply chain
- producers and other workers in the Southern country of origin

### **A. Consumers**

These are the actors who purchase and consume Fair Trade coffee products. Northern Fair Trade coffee consumers, as a unit of analysis, have varying degrees and levels of consciousness in relation to Southern coffee producers:

1. *Conscious/conscience* consumers, who may also be called ethical consumers, as discussed in Chapter 2.
2. *Indifferent bystanders*, some of whom purchase Fair Trade coffee but are unaware that they are buying Fair Trade products or are unaware what Fair Trade products are (Brown 2009). I will refer to this group as *coffee consumers* (potential

protagonists in the Fair Trade movement, as yet unaware of any connections other than quality, taste, and price of coffee).

Appendix A highlights all the social actors in the Fair Trade coffee supply chain.

Appendix D further identifies Fair Trade coffee consumers, sellers, and promoters within a social capital model. It highlights their level of consciousness, the degree of social capital, the values, the strategies employed, and the mutual benefits that are attributed to the concept of social capital. I will elaborate on this table and its contents later on in this conceptual approach.

### **B. Retailers, Importers, and Buyers in the Northern Supply Chain**

These are the actors who roast, distribute, or manage Fair Trade coffee products. The roasters/distributors, managers, and buyers are also included in the Fair Trade coffee supply chain.

Examples of buyers and importers of Fair Trade coffee include:

*Just Coffee Cooperative* (worker-owned coffee roaster), Madison, WI;

*Dean's Beans* (roasters/distributors), Orange, Mass;

*Stump Town*, New York, NY;

*Red Rooster* (roaster/distributor) Floyd, Virginia;

*Cooperative Coffees* (green coffee importing cooperative of community-based coffee roasters in the USA and Canada) U.S. Americus, Georgia;

*Conscious Coffees* (roaster) Boulder, CO (Fair Trade Federation 2011).

But another set of fair trade coffee supply chain actors – alternative trade organizations – have played more proactive roles than the examples above.

## 1. Alternative Trade Organizations (ATOs)

**a. *Early European ATOs:*** The International Alternative Trade Organization (ATOs) proliferated in Europe during the 1960s and 1970s with the original organizations known as “World Shops.” *The European Fair Trade Association (EFTA)* established in 1987 represented the national world shop associations and ATOs across Europe.

**b. *Equal Exchange:*** Created in 1986, in West Bridgewater, Massachusetts, Equal Exchange envisioned a food system that empowers farmers and consumers, supports small farmer co-ops, and uses sustainable farming methods. Its original mission was to challenge the existing trade model, which favors large plantations, agri-business, and multi-national corporations; support small farmers; and connect consumers and producers through information, education, and the exchange of products in the marketplace. Equal Exchange defines its mission this way: “With our founding, we joined a growing movement of small farmers, alternative traders (ATOs), religious organizations, and non-profits throughout the world with like-minded principles and objectives. Underlying our work is the belief that only through organization, can small farmers survive and thrive. The cooperative model has been essential for building this model of change” (Equal Exchange 2011).

Years of testimonials from *Equal Exchange* partners fill their web pages and blogs (see Appendix I). Reading through the 2011 web page, one can find a testimonial from Central de Cooperativas de Servicios Múltiples PRODECOOP, located in Estelí and Palacagüina, Nicaragua, with 986 producers. It was founded in 1993, and has three certifications: Organic, Fair Trade, and SPP (Small Producers Symbol). The president of one of the primary co-operatives, Cooperativa José Alfredo Zeledón, described the importance of the co-operative



supply chain in this way: “Only organized as we are with PRODECOOP can we face the challenges today. Knowing the price we will receive and having an assured market are great helps to us as farmers” ( Equal Exchange 2011).

**c. *Global Exchange:*** Based in California, *Global Exchange* is an international human rights organization dedicated to promoting social, economic and environmental justice around the world, including Fair Trade and, on a small scale, some retail sales of Fair Trade coffee. For over 25 years, *Global Exchange* has been advancing social, environmental and economic justice by transforming the global economy from profit centered to people centered, from currency to community. In their *Annual Report 2012-2013, Years of Resisting Injustice, Envisioning Alternatives, Taking Action*, Carleen Pickard, Executive Director of Global Exchange, thanks all those supporters of their mission

[t]hat aims to create a local, green economy designed to embrace the diversity of our communities. As an activist human rights organization we advance our vision by working to ensure our members are empowered locally and connected globally to resist injustice and build alternatives (Global Exchange 2011).

Throughout their report are testimonials from activists and supporters who have taken part in *Global Exchange's* Reality tours, some of which focus on Fair Trade coffee and other Fair Trade items. They believe that when we meet someone face-to-face, share their food and stories we naturally develop deeper ties and lasting connections. “Solidarity is forged in the friendship and we gain the understanding that our futures are inextricably tied to each other... Those who travel with us have the opportunity to examine global issues, go beyond what is communicated by the mass media, and gain a new vantage point from which to view and affect U.S. foreign

policy. Travelers are linked with activists and organizations across the globe working for positive change” (Equal Exchange 2011).

The work of this international organization has inspired Public intellectual and 2013 Global Exchange Human Rights Award recipient, Noam Chomsky, to add his name to this list: “I was inspired by the energy and enthusiasm of the community gathered around a shared vision for a more peaceful future. For 25 years, this organization has been at the forefront of the struggle to put people and planet first, and I am proud to call myself a supporter of their work” (Global Exchange 2014).

### **C. Promoters Outside of the Fair Trade Coffee Supply Chain**

By 1997, a distinctive new strand of the European organizations was established with the introduction of product certification and labeling. The Fair Trade Labeling Organizations International (FLO) represented twenty national initiatives – fifteen in Europe, three in North America, and two in the Pacific region. It was formed in 1997 as the umbrella group harmonizing and consolidating the Fair Trade activities (Raynolds, Murray, and Wilkinson 2007). In the U.S., TransFair USA (since transformed into Fair Trade USA, which I discuss and critique elsewhere) was already well established as the primary Fair Trade certification organization. International human rights organizations such as *Oxfam International* have similarly promoted fair trade.

These “promoters” are indicated in Appendix 1 as the NGO activists and protagonists who might be thought of as “enzymes,” who do not buy and sell coffee as supply chain actors (though their individual participants are among the retail consumers of Fair Trade products) but rather act as catalysts in support of the chain (Wimberely 2011).

Of course, Fair Trade coffee retailers, exporters, NGO employees, buyers in Fair Trade cooperatives, and consciously aware Fair Trade coffee consumers might simultaneously be considered “promoters” even though they are part of the supply chain. They may be considered “global watchdogs” or “political consumers” loyal to the Fair Trade movement.

### **3. Producers and other workers in the Southern country of origin**

I identify these actors in Appendix A as Fair Trade coffee cooperatives in the global South; they include individual producers of coffee products to be exported to the global North, as well as Fair Trade coffee cooperatives taken collectively. They may or may not have contact with the consumers, but are part of the Fair Trade coffee supply chain. The cooperatives are in contact with importers within and promoters outside of the supply chain.

## ***IV. Themes***

This section includes some of the themes that I will seek to analyze for my document and interview data. Below I have outlined some potential themes:

- 1. Ethical consumption behaviors** – Consumption of Fair Trade coffee products. Retail consumers, promoters and retailers may represent these ethical behaviors displaying their own ethical consumption.
- 2. Ethical distribution behaviors** – These are the behaviors of the exporters, certifying organizations and the activists who are working in Fair Trade campaign and educational organizations.
- 3. Ethical consumption claims** – These are the statements made by Fair Trade coffee consumers that enacts their ethical agency through consumption that may be seen by them as a moral obligation. These may be both indicated in the literature of promoters

and in one-on-one interviews with consumers. These claims may be the means through which individuals frame otherwise insurmountable problems and participate in solutions (Micheletti 2003).

**4. Consciousness of Northern consumers** - This section indicates the level and content of consumers' beliefs. Appendix D identifies the level of consumers and Appendix B the flow of information channels that may inform their consciousness.

**5. Networks** - These are indicated in Appendix A. These networks are the patterns of repeated interactions among the social actors: consumers, consumers and Fair Trade promoters (both those within and outside of the Fair Trade supply chain). We each '*build a network*' which is one part of '*building a life*', to make choices as best we can to attain the values we hold dear (Fischer 1982).

**a. Egocentric Social Networks:** These are networks of people (alters) that a person (ego) knows. Each person has their own network of relationships that cut across many groups and that contribute to their behaviors and attitudes. The latter may have as its members spouses, children, co-workers, fellow church members, etc. "Egocentric SNA (Social network analysis) is concerned with making generalizations about the features of personal networks that explain things like longevity, consumer and voting behavior, coping with difficult life situations, economic success or failure, and so on" (Florida 2012). I include this concept of egocentric social networks in my analysis in chapter 5.

**6. Social capital:** Below are the dimensions of this concept that relate to the networks and social actors listed above. Social capital theory explains that this collaboration

between groups who share common values, such as those actors above, allows them to achieve goals that they would find difficult to accomplish on their own (Alexander and Nicholls 2006).

**a. Trust:** between the producers of Fair Trade products and the buyers and importers

**b. Mutual benefit/degree of mutuality:** This is the mutual benefit derived between the producers and the conscious/ethical consumers of Fair Trade coffee products.

**c. Reciprocity:** These are the bonds between Northern and Southern global communities connecting the consumer and producer.

**d. Bonding and bridging/degree of common identity:** Bonding is most common within a producer network in the certified Fair Trade cooperatives. When some ethical consumers travel to and work with the global southern producers, a form of bridging has occurred; this bridging can elevate the degree of common identity between these actors from the global North and global South.

**e. Obligations and expectations:** The producers at the front end and buyers and importers along the supply chain are legally and contractually involved with the production and delivery of coffee products. Legal contracts specify their reciprocal obligations and expectations. This includes resources provided to the producer prior to production in an expectation that there will be a quality coffee product delivered to the importer at the end of the process. The secondary set of

actors are the consumers who have expectations of transparency from the Fair Trade certifying process that guarantees “Fair Trade” through the standards set by the international and national certifying labeling organizations I specified above.

**f. Information channels:** This can be seen in Appendix B. The social actors are both within and outside the Fair Trade coffee supply chain. They include, but are not limited to, producers and their marketers, the promoters of Fair Trade to the consumers, and the certifying organizations. All these actors and their network websites, pamphlets, and working papers will be the source of my secondary data collection.

#### ***V. Research Questions***

Framing my research is an overarching question and three more specific questions. In order to clarify my terminology (key points), previously stated, I will discuss here the theoretical and/or practical significance embedded within each of my questions.

The first and overarching question of my study asks, “What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers, and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness?”

The Fair Trade coffee supply chain emphasizes the direct relationship of the purchaser of Fair Trade coffee (defined as the global Northern consumer) to the producer (defined as the global Southern producer). Throughout this study I have identified levels of consciousness of coffee consumers, from the purchaser (who is unaware of the connection between his/her morning coffee and its origins) to the ethical/socially responsible coffee consumer (who seeks

out the Fair Trade logo, fully conscious of its meaning to the quality of life of the Southern producer – see Appendix 4). Networks are crucial to Fair Trade coffees' survival. These are the networks of the political/ethical consumers who may join the ATOs and resource networks that may identify the “ethically responsible” corporations, the actions of the labeling organizations (transparency), and the future of the Fair Trade movement.

The overarching question incorporates the concept of social capital among consumers and Fair Trade promoters who shape the consciousness I described as levels and categories above. Throughout the literature, social capital refers to its attributes that can strengthen the ties and flows of information available between the consumers and promoters of Fair Trade coffee.

Terms such as bonding and bridging, mutual reciprocity, adherence to standards and trust, which may begin as theoretical exercises, need to be measured and challenged for their empirical evidence of social capital's impact throughout the supply chain in very practical (human) connections. Toward this end, there is still much ambiguity as to the appropriate application of the concept of social capital in the social sciences. Understanding this, I will use a qualitative analysis that will shed light on the conscious coffee consumer's attitudes towards Fair Trade, its products, and Fair Trade coffee specifically.

The depth and breadth of my study attempts to address the consumers' consciousness, through the levels of “consciousness” as evidenced in the questions I have identified. Using semi-structured interviews and documents, my study will seek to formulate answers to the following three questions:

1. How conscious are consumers of Fair Trade coffee products of their connection to the global South's coffee producers, and to the extent they are, what is the content of that consciousness?

In order to understand the conscious consumer, a definition of consciousness used as a framework to answer question one (1) above may refer to the relationship between the individual's intentions and the world with which he/she interacts (Blackburn 1994).

The literature on the consciousness of consumers challenges the distinction between an attitude of ethical consumerism and the behavior of the consumer. Studies I have referred to in my literature review illuminate this consciousness, but only in European cities (see Besnard, D'Alessio and Maietta 2006 study).

My study will explore the content of consumer consciousness as it directly relates to the extent of Northern consumers and their connection to the global South's coffee producers. Coding the answers to the interview questions will enable me to identify this consciousness.

The link between the actual consciousness of the consumer and his/her knowledge of the Fair Trade movement will be illuminated as I search the secondary data available on the internet (Barratt Brown 1993). I will describe my methods in the next chapter.

2. How do pre-existing and newly emerging networks among Fair Trade consumers, and between them and promoters of Fair Trade, promote this consciousness?

This is significant because it ties together the links that forge the bonds between the Fair Trade movements' dedicated promoters and the conscious/conscience Fair Trade consumer (which I define as having maximum social capital – see Appendix D). The preexisting networks have set the foundational framework for the original success of Fair Trade within the social



movement milieu during the late twentieth century. It is unclear whether the twenty-first century's newly emerging networks will retain Fair Trade's original mission, goals and transparency that ethical consumers have come to trust.

3. How do the mechanisms of social capital facilitate the structures and process of the networks described above?

Literature on this linkage indicates that there is a mechanism of social capital that enables this movement to link civic engagement and intra community activity (see Appendix B.). In one of its most successful and visible forms, these links are manifested in Fair Trade towns. [though none presently exist on Long Island] (Alexander and Nicholls 2006; Besnard, D'Alessio, and Maietta 2006),

*Fair Trade Towns* is a campaign by which consumers can be assured the products they are purchasing were produced under healthy working conditions at a fair wage. It promotes community-wide networks in which knowing about FT, valuing FT, and actually purchasing FT products are facilitated through the sharing of knowledge and sentiment across a larger populace, opening up FT markets among people who can and will pay a fair price for products such as FT coffee (Smith 2013). As one example, Chicago declared in 2010 that it was one step closer to becoming the largest Fair Trade Town in North America (Escobar 2010).

The questions above become the guideposts and roadmaps for my research and establish the relationship to the theoretical and/or its practical applications to complete my dissertation research.

The next chapter outlines my methodological approach both through secondary documents and one-on-one interviews in the field.

## **Chapter Four: Methodology**

### ***I. Data Collection***

My research relied on two kinds of data: existing documents from and about the Fair Trade movement, and interviews with customers of coffee shops, cafes and farmers markets in Long Island, New York.

#### **A. Documents**

I began by collecting data from dozens of research reports and other secondary information sources (listed in my references) from promoters, alternative trade organizations, Fair Trade magazines, websites, and Fair Trade foundations.

I also used books specifically in my thematic area, listed above, as well as an extensive review of articles in trade, academic, and international magazines. In some cases I relied on other scholars' primary published research as data that I analyze here.

#### **B. Semi-structured interviews**

The site I chose for my 2012 interviews is located in two counties on Long Island, New York. My participants were located at nine sites, covering 118 miles (190 km) eastward from New York harbor to Montauk Point, and have a maximum north-to-south expanse of 23 miles (37 km) between the northern Long Island Sound coast and the southern Atlantic coast. With a land area of 1,401 square miles (3,629 km), Long Island is the 11th largest island in the United States (Suffolk County Department of Planning and Research 2012). My participants were local residents which were chosen from 1,348,283 residents in Nassau County and 1,497,369 in Suffolk County. The racial distribution of these two counties together is 82% White, 10.2 %

Black, 16.3% Hispanic, .05% Native American, and 6% Asian (**Long Island New York Guide 2015**).

### **1. Sampling**

Patton (1989) suggests that if random selection is not an option, and then purposeful-sampling may be an option. Of the several approaches he includes, maximum variation sampling was the one that best suited this study (Patton 1989: 100-107).

Maximum variation sampling can refer to both sites and people. The range of people and sites from which the sample is selected should reflect the larger population. It should allow the widest possibility for readers of the study to connect to what they are reading and provides the most effective basic strategy for selecting participants for interview studies (Seidman 2006: 52-56).

According to Seidman's evaluations, I believe that the sites and range from which my sample of twenty participants was selected reasonably represents variation in the larger population.

Analyzing the population, using the maximum variation approach, I searched the internet for possible sites fitting the parameters of my study: places of business that sold coffee products, preferably those that advertised Fair Trade certified coffee in this suburb of New York City, Long Island. For the purposes of this study and to maintain confidentiality for both the sites and participants, I label my interview sites as Native American café, organic food store, coffee shop, and farmers' market.

There was a snowballing approach that I found was useful in choosing these sites. I started with a Native American roasting site/café as I had been aware of this site, visiting "out

east” (a colloquial expression referring to Long Island’s easternmost section) many times as a Suffolk County resident. The roaster I approached at his café suggested I interview his customers, and then he suggested I should approach an organic foods market where he had some of his products on display. This snowballing continued and at the next interview site I was directed to a roaster whose products were local and also on display at the organic market. Thus, one site led to another; I used a combination of purposeful sampling, a technique designed to gain maximum variation, and a snowballing process which led me to other sites suitable for interviewing both coffee purchasers and consumers.

Once these sites were chosen, I then considered the range of people who were coffee purchasers and consumers. According to my approved dissertation plan, I was to interview as many as twenty people. This number seems reasonable in light of some qualitative methodologists’ conclusions about appropriate sample sizes. Seidman observes that “a number of writers discuss a point in their study at which the interviewer begins to hear the same information reported” (55). Seidman quotes Douglas (1976) as setting a maximum number of twenty-five participants to interview. According to Seidman, interviewing fewer participants may produce data that is just too thin; a smaller sample may save time earlier in the study, but may add complications and frustration at the point of working with, analyzing, and interpreting the interview data. To this end, I was comfortable with the number of twenty participants to be interviewed for this study.

## **2. Criteria for participants**

Prior to beginning data collection consumers were deemed eligible for this study if (1) they were between ages 18-65 and (2) they were coffee consumers and/ or purchasers of coffee.

The age range was somewhat arbitrary designation that ruled out two people who had consented to my interview (one 16 years old, which my IRB protocol did not allow for, and the other 66). I limited the locations to help assure that the customers at the venues I chose all met the second criterion.

My twenty interviewees included purchasers, baristas and roasters/distributors of solely coffee products. I selected my sample so that the relative number of male and female participants, the range of ethnic groups represented and the range of age of the participants (limited to 18-65) should parallel as much as possible the demographics of Long Island. The above characteristics are illustrative but not exhaustive of the range of variations present in the population whose experience I wanted to try to understand: their choice of purchasing and consuming of Fair Trade coffee. My goal, given the small sample size, was to purposely sample the widest variation of sites and people within the limits of my study.

Following the protocol the Virginia Tech Institutional Review Board (IRB) approved for this study, I approached the owner/operators and managers I have identified as the gatekeepers (the people who are in position to grant or deny access to a research setting) of cafés, and explained my mission for my research. Once I received the owner/manager's verbal and written permission, I discussed with him/her my idea for sampling of twenty coffee consumers, some of whom would be customers in his/her café (Berg 2007).

There were three different kinds of social actors whom I planned to interview: consumers, owners (of coffee shops, organic markets, or roasting/distributing operations), and baristas. I used the interview to identify consumers who were either (1) *conscious Fair Trade coffee protagonists* who are aware of their connection to producers and who are responsive to the

mission of Fair Trade and its certification process, (2) *potential Fair Trade coffee protagonists* not committed to or necessarily aware of Fair Trade, but who were at least somewhat aware of the connection between producers and themselves, and (3) *coffee consumers* who are only aware of the quality, taste, and price of coffee without consciousness of their relationship to producers through the coffee supply network

I explained the IRB-approved consent protocol to each interviewee (see my approved protocol in Appendix E), and explained to them that they would receive a pseudonym and that I would maintain their confidentiality. After the explanation I asked each to sign a consent form which would be kept confidential and in a locked cabinet per IRB requirements. I distinguished the different kinds of actors through the questions that I used for demographics (see my interview plan below).

## ***II. Data Collection Procedures***

My interview schedule, including additional interview questions not listed in this chapter, is in Appendix 3. The questions were designed to address the main areas of investigation and categorized for the interview itself. Dr. Wimberley, my chair, suggested I change the wording of my interview categories as not to bias the answers if the participant saw the original categories.

Thus *Ethical Consumption Claims* became *Consumption: Social Capital* became *Clubs/Organizations/Social Movements/Hobbies*; and *Fair Trade* remained unchanged.

To supplement the data collected in the interviews, I conducted observations at each interview location during the spring and summer 2012. Observing at the nine sites afforded me the opportunity to inspect everyday social life at a popular gathering place for coffee consumers and purchasers of coffee products.

I documented the physical setting, the interaction of consumers with store owners/roasters, and my impressions and feelings the days of the interviews. These parts of my observation strategy constituted nonreactive techniques.

According to Neuman (2003), the critical characteristic of nonreactive or unobtrusive measures is that the people being studied are not aware of it but leave evidence of their social behavior or action “naturally.” Researchers conduct observations to follow the natural stream of everyday life; behavior and interaction continue without interruption or intrusion because the researcher does not manipulate subjects (Neuman 2003).

#### **A. Interview Plan**

1. Length of interviews: up to one hour per participant
2. Recording methods: audio with digital recorder and note taking. I will store both in a locked file cabinet.

#### **B. Key Questions**

I divided the key questions into groupings for the following interviewees:

- A. Owners of coffee shops and organic markets selling Fair Trade coffee, and Owner/Distributors (roasters) of Fair Trade Coffee
- B. Baristas at shops selling Fair Trade coffee
- C. Purchasers and Consumers
  1. Protagonists – conscious / conscience purchasers / consumers
  2. Potential protagonists and mere consumers – purchasers / consumers of Fair Trade Coffee, some of whom may not be consciously aware of their connections to coffee producers.

Below are some key interview questions for each grouping above. Additional potential questions can be found in Appendix C. I have labeled each question A, B, and/or C1 or C2 to correspond to the letters above. These questions may be abbreviated to keep the interview length within the hour limit I have indicated in my methods section. Again, as mentioned above, the participant did not see these categories as mentioned below, so as not to bias their answers.

### **1. Ethical Consumption Claims:**

I began by asking about the participant's general outlook on social issues.

1. What are the three biggest problems facing the world today? (A, B, and C1/2)

Follow-up: Can these problems be resolved? If so, how?

2. How would you describe three (3) characteristics of yourself in relation to your purchasing in regards to a coffee product? (A, B, C1/2 (if they drink coffee))

3. What are the considerations you make when deciding to purchase coffee?  
(C1/2)

### **2. Consciousness of Northern consumers:**

4. Do you have any favorite stores to shop at? (C1/2)

5. What do you like about these stores? (C1/2)

6. Are there any stores you really dislike? (C1/2)

7. What do you dislike about these stores? (C1/2)

8. Have you had much experience traveling? Where have you traveled?

(International/National) (C1/2)



### 3. Social Capital

I use these questions to elicit information relevant to themes of mutuality; social networking; common identity with global South producers; trust of Fair Trade label; and some degree of cooperation for mutual, not personal benefit.

9. Are you a member of any clubs/organizations? (Political, Economic, Work related) (C1/2, maybe A, B)

10. Have you participated in any recent social movements or protests? (A, B, C1)

*(I will probe for types of movements, such as: Iraq/ Afghanistan antiwar movements, race/gender based movements, and political movements such as Occupy Wall Street, Tea Party, etc.).*

*If they have been involved in any social movements or coops, then ask:*

11. Have you trusted the movement's members to support the mission/ goals? (A, B (if Fair Trade involvement), C1)

12. Was there a common interest felt by movement members? (A, B (if Fair Trade involvement), C1)

13. Did the members cooperate for mutual, not just personal benefit? How was this demonstrated within activities accomplished/ or not? (A, B (if Fair Trade involvement), C1)

### 4. Fair Trade

14. What does Fair Trade mean to you? (A, B, C 1/2)

*If person answers that they are not aware of Fair Trade, but only drinks the coffee at Café for other reasons, then show various FT labels to the interviewee and see*

*if they recognize them (Fair Trade USA, new international FT symbol, Equal Exchange logo)*

(Prompt: If person answers that they are aware of Fair Trade, and then proceed with interview with questions below):

15. How did you first learn about FT? (C 1)

16. Do you have any friends who also like to purchase FT goods? (C 1)

17. Have you ever given a FT product as a gift? (C 1)

(Describe the experience... did you tell them it was a FT product?)

18. How did the person respond? (C 1)

19. Do you consider yourself as a part of the FT movement? (All)

20. What kind of a difference can the FT movement make? (All)

21. How do you think of FT, as a movement, as a market, or both? (All)

22. Do you have trust in the certified “Fair Trade” label? (All)

(This could also be part of social capital, the idea of trust in the label/ movement)

### **C. Basic Demographic data:**

The questions above were approved by the IRB and my committee, as was a set of demographic questions which allowed me to gather data on age, sex, marital status, education, household income, and race.

The sequence of questions was fixed, but, at times I had to ask the question with different terminology for participants who could not understand the question. For example, question 2, “How would you describe three (3) characteristics of yourself in relation to your purchasing in regards to a coffee product?” was often misinterpreted as what they look for in purchasing a

coffee product. An example of how they interpreted this was that they looked for flavor, price, and quality. The purpose of this question was to elicit the consciousness of the purchaser and his/her decision making in buying a FT coffee product. For the *protagonist* this question did include their conscious decision to choose a FT product as a characteristic of ethical choice in products.

My demeanor during the interviews was friendly, somewhat casual (to make the participant more relaxed) and moderately directive. During one of the interviews, the interviewee asked if that was the “right” response. I assured her there was no “right” response, that it was her response that was right. The duration of the interviews lasted between fifteen minutes and one hour depending on the participants’ level of understanding or interest in Fair Trade coffee. Two participants were not informed about Fair Trade coffee. Of these two, the first was not interested in anything other than flavor. This interview was very brief. The participant seemed uninterested and distracted and ended the interview within fifteen minutes. The second of these two participants had little to say and was not sure that he could respond to all the questions. His responses were tentative and he seemed confused when he answered.

1. Transcription Plan: I used a digital recorder for the interviews. All interviews were transcribed verbatim in their entirety. Each participant signed a consent form prior to the interview, indicating that they would allow an audio recorder. They also understood that I would use a pseudonym to conceal their identities as well. I hired a transcriptionist to transcribe all my interviews, funded by a grant from the Graduate Student Association. According to the transcriptionist the transcribing of these interviews took 38.5 hours. This also enabled me to have all my site notes and observations transcribed verbatim.

## 2. Human Subjects' considerations

I have received IRB approval for this dissertation project and have included both the approval letter as well as the IRB approved proposal in Appendix E.

### **D. Data Analysis**

1. Documents: I coded themes for all documents that I have placed in my reference section that use the key terms and themes I have identified below. Building on systematic coding I was able to create typologies as a way to analyze my data. My typology groups of coffee drinkers are categorized and reflected in Appendix D. In my analysis, I tried not to ignore other factors equally important in the lives of those I study (Bailey 2007: 144-146). For example, education level and income might appear to influence the decision making of those I categorized as protagonists, i.e., ethical coffee purchasers/consumers of Fair Trade coffee products. These demographics had been found important in influencing ethical consumers in other studies I reviewed in my literature review (Besnard, D'Alessio, and Maietta 2006).

I explored the themes that are recurring patterns, viewpoints, and concepts. These themes were identified during coding as similarities across my twenty participants' interviews. Such outcomes also directed my analysis to relevant document data (e.g., Fair Trade organization websites).

### **E. Themes/Coding**

Below are the themes/coding I have derived from the theoretical and empirical literature reviewed in Chapter 2. These themes/codes will guide my focus as I analyze the data. I coded themes line by line for all interviews, guided by the principle that "the researcher who uses thematic analysis often codes with an analytical eye toward larger segments of data. Attention to

context, interactions, routine and aberrant behaviors, rhetorical conventions, and descriptions is usual for thematic analysis” (Bailey 2007: 154). The data for each case include the interview itself and the data from observations made during the interview.

**1. Consciousness of Northern consumers:** level and degree of consumers’ connection to the global South’s coffee producers, to certified Fair Trade coffee products, and to networks available for educating about Fair Trade movement’s mission.

**2. Ethical consumption claims:** statements made by Fair Trade coffee consumers that reflects their ethical agency through consumption that they may see as a moral obligation. These claims may be the means by which individuals frame and participate in solutions.

**3. Ethical consumption behaviors:** connection to and involvement in certified fair trade products, fully understood as part of a global consumer network, in which the consumption value of goods, such as Fair Trade coffee, itself is partly defined by involvement in these networks.

**4. Ethical distribution behaviors:** the motivation, attitudes and behaviors of the sellers who are distributing Fair Trade coffee products, who may also be activists working in Fair Trade campaigns and educational organizations.

**5. Social movement:** voluntary organization influencing changes in policy and public opinion; opportunity structures; organization and action, continuous collective challenges to systems or structures of authority; and transnational social movements.

**6. Fair Trade movement:** international South-North connection that creates opportunities for economically disprivileged producers. This includes transparency and

accountability, capacity building, promoting Fair Trade, fair prices, and networking with cooperatives.

**7. Social capital:** embeddedness of social actors in social networks that influence participation in Fair Trade as a social movement. Characteristics include some degree of mutuality; social networking; some degree of common identity; trust; and some degree of cooperation for mutual, not just personal benefit (Putnam 2000); common identity with global South producers; trust of Fair Trade label; and some degree of cooperation for mutual, not personal benefit.

#### **F. Analysis of coded themes:**

Researchers code to identify portions of data potentially useful for analysis (Bailey 2007). In this section I used both data from my secondary (document) sources and data from my fieldwork and interviews to identify instances of the coded themes and interpret them through a qualitative research lens.

A characteristic of most qualitative research is that data collection and analysis occur simultaneously. This allows for more in-depth follow-up before data collection ends (Creswell 2009). There are two goals of data analysis in qualitative studies:

1. Data reduction: I distilled the vast amount of the data I collected through my interview and documents into coded documents in which I have marked relevant themes and patterns to more readily recognize them.

2. Verifying conclusions: These conclusions were drawn from pages of material of observations, field notes, and taped transcripts. One potential pitfall, according to Bailey (2007) is that by seeking and presenting data that supports the expressed themes of my research, I may

lead my readers to the “unfounded conclusion that most participants expressed the theme” (158). To avoid this, she suggests an analysis of cases that did not express the explicit themes of my research, which will provide insight into the setting. In analyzing my interviewees’ responses I realized that the majority of them did not seem to know the origins of the coffee they were drinking. Two interviewees did not care about knowing these origins, as they were solely interested in the coffee’s taste (flavor); their interviews were the shortest (approximately 15 minutes) and they implied that they had other places to go.

Through an interpretive process I, as the researcher, engaged in the practice of reflexivity: critically thinking about how my status characteristics, values, and history, as well as the numerous choices I have made during the research, affected my results (Bailey 2007). Relevant parts of this reflection will be included in my conclusion.

## Chapter Five: Analysis

### *I. Consumers*

The purpose of my study is to investigate to what extent Global Northern consumers of Fair Trade (FT) coffee are conscious of the connection between themselves and the Global Southern producers of their coffee product. I seek to find the answer to the question: what consciousness do Global Northern Fair Trade coffee consumers have of Global Southern coffee producers, and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? My research will add to the knowledge concerning consumer response to Fair Trade (FT) coffee by exploring the nature of consumer preferences for FT coffee in Long Island, New York. This study is important because a conscious consumer of Fair Trade coffee products has the potential to make a substantial difference in the quality of life of the Global Southern coffee producer. To this end, I interviewed thirteen Global Northern Fair Trade coffee consumers located in cafes, farmers' markets, and organic food shops advertising Fair Trade products on their websites, or through my personal networking in Long Island, New York.

Table 5.1 shows the characteristics of the consumers by the demographic data including gender, age, race, education, occupation, and income that I collected for each participant.

#### **5.1 Socio-Economic Characteristics of Consumers**

NAME	GENDER	AGE	RACE	EDUCATION	OCCUPATION	INCOME	LOCATION
Betty	Female	50's	White	High school	Asst. Manager	\$20,000	Native American Café
Carl	Male	50's	White	Master's	Healthy eating specialist, consultant to store	n/a	Organic food store
David	Male	60's	White	High school	Legal service	\$100,000	Coffee shop
Ed	Male	30's	White	Bachelor's	Regional editor	\$60,000	Organic food



					of online media newspaper		store
Haley	Female	30's	Black	Master's	Cashier	\$20,000	Organic food store
Ira	Male	30's	Middle eastern	Some college	Baker	\$40,000	Farmers' market
John	Male	50's	White	Master's	Night operations router for air freight international agency	\$60,000	Farmers' market
Karen	Female	20's	Other	Bachelor's	Waitress	< \$20,000	Coffee house
Miles	Male	20's	Native American	Bachelor's	High end fashion stylist	\$70,000	Coffee house
Nancy	Female	20's	White	Bachelor's	Supervisor	\$35,000	Coffee house
Oscar*	Male	20's	White	Bachelor's	Coffee Buyer	\$20,000	Organic food store
Peter	Male	50's	White	Bachelor's	Marketing	n/a	Organic food store
Quinn	Male	30's	Asian	Medical	Doctor	\$100,000	Organic food store

Note: The names in table 5.1, also referenced in the discussion below, are pseudonyms.

\*Oscar is a special case, involved in the coffee business as well as a coffee drinker, but here I am only examining him in his role as a coffee drinker, a retail coffee customer.

The table above is illustrative, but not exhaustive, of the range of variations present in the population (of coffee consumers) I interviewed for my study. My goal, for this part of my research of thirteen (13) consumers, at seven (7) different sites, was to purposely sample a wide variation of sites and people within the limits of my study. Of the thirteen consumers; six (6) were interviewed at a food store specializing in organic health food and products that promote healthy buying and eating habits for their customers, one (1) at a Native American Café which did not display the selling of Fair Trade products, two (2) others at coffee shops which did

indicate, either on their entrance door, or wall that they sold fair or organic coffee products, one (1) interviewed directly under a Fair Trade poster on the wall of this coffee shop, one (1) at a coffee shop, which had no reference to Fair Trade or organic products, and two (2) at a farmers market that had no indication of the products sold, only prices and displays of their products. It was my hope that I would find those consumers who may be conscious of the Fair Trade connection which links Global Southern coffee producers to the consumers of their products.

As instructed by the Institutional Review Board (IRB) and with its approval, I approached the owner/operators and manager at each of the seven (7) sites. I identified them as the '*gatekeepers*' (the people who are in position to grant or deny access to a research setting) of cafés, organic food stores, farmer's markets or coffee shops, and explained my mission for my research. At the sites where the '*gatekeeper*' had been identified, I proceeded to discuss with him/her my idea for sampling of coffee consumers in his/her café (Berg 2007). Once I received this verbal agreement, I then proceeded with my interview.

The next section, Protagonists and Non-Protagonists, examines the variations indicated above defining consumers as the actors who purchase and consume Fair Trade coffee. I will be identifying the protagonists and non-protagonists based on the definitions listed in my methodology section (Chapter 4), and exemplified by each actor's statements during the interview.

#### A. Protagonists and Non-Protagonists

This section examines variations among coffee consumers, based on my interviews. Note that throughout this study I will be using ellipses for the pauses or phrases such as "um," "oh,"

“uh,” and so on. I use brackets when interviewees’ statements need further clarification. Brackets are also used to indicate laughter or other emotional responses.

For this study, I defined consumers as the actors who purchase and consume Fair Trade (FT) coffee. My goal was to determine the level and content of the consumer’s consciousness of the global connection between him/herself and the producers located in the Global South. I divided these actors into three subcategories:

1. **Purchasers:** those who are not aware of Fair Trade connections exemplified by these Interviewees’ statements:

“I don’t know a ton about Fair Trade... maybe [Fair Trade is] a slogan?” (Ed, a web journalist in his thirties)

“You know, I don’t [laughter] [know about the connection]...I really don’t, now that you mention it [laughter again]” (Karen, a waitress in her twenties)

“No... never [think about any connection]” (Miles, a high end fashion stylist in his twenties)

2. **Potential protagonists:** not yet committed to Fair Trade but at least somewhat aware of the connection between producers and themselves, as indicated in these statements:

“Yeah, I definitely wonder whether or not it’s a clean environment [for the farmers], whether or not they [the farmers] are happy... you can tell...there’s a certain way...whether or not it [coffee] was made by somebody who is happy” (Haley, a cashier in her thirties)

“Fair Trade means to me, that the farmers are being taken care of...that they’re getting enough money for their coffee, they’re making a profit, and those things... [W]ell, I mean, I’ve known about Fair Trade... and once I started to come to [a specific coffee shop he frequents] I learned a little bit more about it.” (David, a retired law librarian in his sixties)

“I don’t really know too much about it [Fair Trade]... from what I believe...I believe it, more about the people that...where we

source the coffee from...paying them fairly, potentially...just making sure the trade of goods is fair, ethical...purchasing at a fair price...I think [laughter]" (Nancy, a grocery supervisor in her twenties)

Betty, an assistant manager in her fifties, could be a potential protagonist. She states that she is aware of the connection between her coffee consumption and those that produce it, but when I probed, asking "Do you think that Fair Trade, when people start to know about it, could make a difference in people's lives, like the farmers producing [the product]?", she responded:

"Oh sure, yeah... Yeah, I think it could [make a difference in farmer's lives]. I mean, as I say, I'm not educated about it, so I don't know a lot about it."

My interview with Betty was very brief as she indicated she had to leave the café at that moment.

3. Protagonists: ethical consumers who are socially responsive to the mission of Fair Trade and its certification process:

"Yeah, a good portion of my friends [purchase Fair Trade coffee]. We are like-minded people. I would hope that some of those things [fair pay/wages] for farmers [for example] are being taken care of. To be honest, I think it may be more for what I want it to be about [than] what it really is. I bought it [Fair Trade coffee] because it is Fair Trade." (Ira, a baker and chef, in his thirties)

### **B. Ethical Consumers (Protagonists)**

Ethical Global Northern coffee consumers search for connection and involvement in certified Fair Trade products that can be more fully understood as part of a global consumer network, in which the consumption value of goods, such as Fair Trade coffee, is partly defined by the links they (products) generate (Cova 1997; Harrison, Newholm, and Shaw 2005). In

general, the ethical consumer feels responsible toward society and expresses these feelings by means of his/ her purchasing behavior.

Below, I have outlined three ways to identify the ethical consumer:

1. Consciousness of the Global Northern consumers (to the Southern producer),
2. Actions exhibited by ethical consumers' behavior, and
3. Ethical consumption claims (advocacy).

#### 1. Consciousness of Global Northern consumers

Global Northern consumers' consciousness refers to their level and content of beliefs related to Fair Trade (see Appendix 4, *Categories identifying Fair Trade coffee consumers within a social capital model*). Of the thirteen consumers I interviewed, eight Fair Trade coffee purchasers/consumers could be classified as conscious of the Global North–South connection. When asked if they ever thought about the people who produced the coffee they drink, four customers at an organic food store responded:

“When I go organic, I go into a Fair Trade product so I know that people (farmers) are going to be getting more of a living wage for what they've done.” (Carl, a healthy eating specialist in his fifties)

“Yeah, I definitely wonder whether or not it's a clean environment; whether or not they're happy [the farmers]. You can tell ...there's a certain way, you know, whether or not it [coffee] was made by somebody who is happy.” (Haley, a cashier in her thirties)

“You know, I think about how it's sourced [the coffee], in an ethical way, which is where you enter the Fair Trade certifications and everything.” (Nancy, a grocery store supervisor in her twenties)

“[T]hey [the farmers] could be anywhere in the world, I can picture them picking coffee beans off of trees and stuff like that, yeah, I guess they may not be wealthy, maybe they're just average people

who are just trying to make a living.” (Quinn, a physician in his thirties)

I also asked Oscar, an organic food store coffee buyer whose statements I examine further in a later section, whether he thought about coffee producers when he was drinking coffee. He responded:

“Sure sometimes, yeah, if I’m really enjoying it [coffee], I might think...what they [farmers] were doing.”

The three other consumers were from various coffee shops and a farmers’ market:

“I have visited some of the countries where it’s [coffee] produced, and have been involved in the coffee trade and know the coffee producers very well, as I transport their product.” (John, a night operations router for an air freight company, in his fifties)

“I think they probably work very hard, it’s not an easy job and they don’t get paid a lot of money.” (David, a retired law librarian in his sixties)

“I think that they [farmers] work hard for what they [the farmers] get and, you know, we all have a lot in life and they’ve [farmers] gotten one that maybe isn’t as good as others because they’re [farmers] in a space, you know, they’re born to a space that has different rules. So, us born in a different space should be helpful to those in a lesser space.” (Ira, a baker and chef in his thirties)

In contrast to those above, there were two consumers who, when asked if they had ever thought about the connection with those that produced the coffee that they consumed, replied:

“You know, I don’t [laughter], I really don’t, now that you mention it [laughter again]” (Karen, a waitress in her twenties)

“No” [never thought of the connection] (Miles, a high end fashion stylist in his twenties)

Of all the thirteen consumers, only Miles stated that he had no desire to know about the connection between the producer of his coffee and himself, and his only interest was in drinking a “flavorful” (his words) coffee product.

## 2. Ethical Consumption Behaviors

Ethical consumption behaviors are consumers' actions involving certified Fair Trade (FT) products, in which the consumer fully understands herself or himself to be a part of a global consumer network, in which the consumption value of goods, such as FT coffee, is partly defined by the nature of the links (networks) connecting goods to their producers. When analyzing consumer behavior, I consider the behavior of the individual coffee consumer and his/her commitment to the purchase of a Fair Trade product.

Lisa, a woman in her twenties whose responses as a barista I will examine in more depth later in this chapter, clearly exhibited these ethical consumption behaviors by her actions involving FT trade products and stated:

“I definitely make choices in my daily life that are parallel with that [Fair Trade] movement and I try, if it's available, to purchase only Fair Trade products.”

Ira, a baker and chef in his thirties, defines ethics as part of his behavior (actions) in deciding which products he uses and stated:

“I look for a coffee product with good ethics [a commitment from the roasters to Fair Trade/organic coffee], locally roasted, all Fair Trade/organic. I bought it [coffee product] because it's Fair Trade and I give it [to my wife] because it's Fair Trade.”

Carl, a healthy eating specialist in his fifties, understands the ethical consumption behavior which leads him to choose FT certified coffee products and stated:

“If I'm looking for a product that meets my quality or taste needs, and I have a choice between non-fair and Fair Trade, I will choose the Fair Trade [product] without regard to price.”

Ethical consumers may be linked to social networks which may or may not be directly related to the Fair Trade mission (such as those described in the previous chapters). I believe

that those consumers who are most involved and connected to a widely-known organization, may be more conscious of the connections (social networking) that may help them, in their ethical consumptive behavior toward the purchasing of FT products. Information networks educate ethical consumers, helping them make the right purchasing choices for themselves, friends and relatives.

To determine the interviewees' social networking characteristics, I asked, as part of the interview: "Are you (presently or have been in the past) a member of any club or organization – political, economic, work related?" As a probe, I followed up with the question, "Have you participated in any recent social movements or protests?"

Ira responded that he was once involved in a network:

"It was a long time ago, a network, a little more political, an organization that was kind of a web based thing. I did a lot of *internety* [his word for collaborating on the internet] kind of a pop reform thing... it's not for adults."

Probing further, I asked if this organization had missions and goals that they were committed to and Ira responded:

"Oh yes, certainly, they had one focus, and you know they focused on it [not defining "it"]. Now I think it [this organization] was a social movement at the time. They [the people in this movement] did a bunch of stuff."

Ira was reluctant to expand further on this "association," so I respected his wishes and continued the interview with the next set of questions.

Frank, a barista in his twenties, is currently involved, through his college connection, with an organization that surveys people about their environmental attitudes and behaviors:



“basically we do a lot of protesting, a lot of rallying. We definitely made an impact on what the people think about the environment.”

When asked if he considers himself an active member of this organization Frank responded:

“Yeah, definitely, we have monthly meetings, community service projects, and customer service... that type of junk [referring back to community service work]. What else would you like to know? [At this point after describing all his activities during the past year, he laughed and so did I].

Frank continued to demonstrate ethical behavior in his explanation of other commitments, such as volunteering in a soup kitchen and at a farm, “helping make produce for the local community” in the latter.

According to Frank’s responses, he may be categorized as a potential protagonist. When I asked what he looks for when he chooses the coffee to purchase or consume he responded:

“The whole Fair Trade thing, I think that’s going to be a major thing that I’ll look for too, when I’m getting coffee...like you look for a label of origin, and if you can’t find it [Fair Trade labeled coffee]...definitely this [Fair Trade coffee] is a question I’ve asked myself [the connection between Fair Trade coffee and its significance].”

Frank also made a connection with the Global South producers of his coffee product; this may further indicate that he is a potential protagonist (ethical consumer). When asked if he thought about the people who produce the coffee he responded:

“Oh definitely, the biggest thing that you think of is, how the money is getting back to the person that made this [coffee]. [It’s] such a big process, okay, the farmer is getting like, maybe fifteen cents out of this bag or something, so it’s kind of crappy to think about [the farmer getting so little money]...definitely is on the top of your mind.”

The flow from consciousness to actions often leads to ethical consumption advocacy (claims). The ethical consumers may see their consumption as a moral obligation (as did the early Fair Trade movement activists) directly relating their behavior to their consumption claims.

### 3. Ethical Consumption Claims

Ethical consumption claims are the statements made by Fair Trade coffee consumers that enact their ethical agency through consumption of a socially responsible product; ethical consumers may see this consumption as a moral obligation. These claims may be the means through which individuals frame otherwise insurmountable problems and participate in solutions (Micheletti 2003).

Ira, a baker and chef in his thirties, makes statements that indicate his ethical agency. He displays his ethical agency through consumption seen as a moral obligation, though he does not specifically say moral obligation. I repeat his comments below:

“Yeah, a good portion of my friends [purchase Fair Trade coffee]. We try to [purchase Fair Trade goods]. We’re like-minded people. I would hope that some of those things [fair pay/wages] for farmers [for example] are being taken care of. To be honest, I think it may be more for what I want it to be about [than] what it really is. I bought it [Fair Trade coffee] because it is Fair Trade.” (Ira, a baker and chef, in his thirties)

I reiterated this statement above from Ira because I believe he is an ethical consumer who is socially responsive to the mission of Fair Trade and its certification process. Ira also displays ethical consumption claims.

Nancy, a grocery supervisor in her twenties, may also be seen as an ethical consumer through her claims. When I asked her: “When you hear the term Fair-Trade, what does that mean to you?” She responded:

“ I believe it is more about people [farmers], paying them fairly, just making sure the trade of goods is fair, ethical...purchasing at a fair price...I think [laughter].”

Carl, a retired law librarian, in his sixties, understands the ethical consumption behavior which leads him to choose Fair Trade certified coffee:

“If I’m looking for a product that meets my quality or taste needs, and I have a choice between non-Fair Trade and Fair Trade, I will choose the Fair Trade [coffee] without regard to price.”

While waiting for Oscar, a coffee buyer for the organic store, to return for an interview later in the day (as a consumer of a Fair Trade coffee product), I began reading the information on top of the twenty-two open barrels of coffee located at the side of the organic food store’s café portion. Considering the store’s motto (not quoted here to maintain confidentiality), I believe the store shows a moral obligation to the producers of their coffee products: this store’s owners or management believe that if one pays the farmers fairly, the farmers will invest in their own communities. This investment, the store states, will ensure an enduring supply of coffee. If the store follows through on these claims above, and exhibits the behavior of actually paying farmers fairly, I believe this as a win-win situation for all.

There were few consumers that I could confidently say indicated ethical consumption claims (advocacy), but, I believe Ira, Nancy, Frank and possibly Carl to be among these. I also believe the organic store and its buyers of certified Fair Trade coffee products indicated their ethical consumption claims through the written messages and motto on the walls and barrels of

coffee, as well as the shelves of Fair Trade logo coffee. I heard repeatedly from this store's coffee buyer Oscar (a coffee buyer whom I also interviewed about his coffee consumption behavior; see Table 5.1), that the store made a commitment to service customers who are aware of the value of organic/Fair Trade products. The customers were also willing to pay the higher prices for products they felt were healthy for them and their family.

How knowledgeable are consumers of the definition and importance of the Fair Trade connection when making an informed decision about organic/Fair Trade products? I explore this in my next section.

### **C. The Fair Trade Connection**

When I asked my participants, "What does Fair Trade mean to you?" all but one consumer responded to this question. Fair Trade had multiple meanings and each coffee consumer gave his/her own explanation: "an agreement" (Carl); "equal pay for farmers" (Oscar); "responsible producers, not exploiting workers, but a slogan" (Ed); "social movement to get healthier" (Haley); "making sure the trade of goods is fair, ethical and meet[s] a certain standard" (Nancy); and, an ambiguous term that, "people use ... to fit their marketing and personal biases – a "marketing gimmick" (Peter).

After asking all my participants about their understanding of Fair Trade, I believe only three consumers, Ira, Nancy and Oscar, truly understood the meaning of Fair Trade and its products. Ira and Nancy demonstrated their commitment to Fair Trade by giving Fair Trade products to their friends and relatives.

Ira and Nancy displayed all the dimensions of an ethical consumer in their behavior, claims and understanding of the Fair Trade connection (between themselves as Global Northern

consumers and the Global Southern producers). They also displayed the attributes found in the *social capital concept*.

#### **D. Social Capital**

Social Capital literature explains that groups who share common values are more likely to collaborate for a common goal. Global Southern Fair Trade coffee producers and ethical Global Northern consumers are two groups that appear to share common values. This collaboration allows them to achieve goals that they would find difficult to accomplish on their own (Alexander and Nicholls 2006).

Social capital can be identified by the following dimensions:

**1. Trust:** Relevant forms for present purposes include trust between the producers of Fair Trade products and the buyers and importers of these products, and trust that consumers may have in a Fair Trade certified label. Examples can be found by the statements of the interviewees in response to my question: “If you saw a certified Fair Trade label on a coffee product you purchase, would you *trust* it [the label]?”

Ira responded to this question:

“I have to [trust the label]. You sort of have to have faith in the way things are written, and that’s where our government maybe comes in or the bodies that make these decisions [what to put on the labels]. I don’t know if they’re [those that have the power to label] are labeling things properly. So, we need hard definitions on these things [Fair Trade labels] and once we do [get them] then we can trust the labels more, but, I have to sort of trust what it says. You have to.”

Nancy responded:

“Well, I guess, like organics, there are certain standards to which you get an organic certification. I guess I would want to see that it

was Fair Trade certified by, you know, a third party or something like that. Yeah. I would trust that, yeah.”

Lisa, a barista in her twenties, knowledgeable about the connection with Fair Trade products, answered:

“I think I trust Fair Trade certified label more than I even trust the organic label, just because it seems a little [pause] easier to actually prove that something was Fair Trade versus whether something may be organic. It seems a little vaguer [referring to organic label]. I try to be hopeful and trust that [Fair Trade label].”

At the end of the interview, I ask each participant to look at the logos of Fair Trade Certified organizations. For most of my interviewees it was difficult for them to identify the FLO certified label. Ira quickly identified the FLO (Fair Trade Labeling Organization) Fair Trade certified label and stated: “[h]onest, I feel like that’s one of the only ones [on the page] I really recognize.”

For the ethical consumer, trust becomes a critical factor in his/her decision to buy or not to buy a certified Fair Trade product. But, how much can they trust a label (icon) if they are unaware of its meaning, not informed about the certification standards, or confused because of the competition on the shelf with other logos (organic, rain forest certified, shade grown coffee, Fair Trade USA and/or Fair Trade certified FLO international)? I explore the issue of trust below under “Business owners.”

**2. Mutual Benefit/degree of mutuality:** this is the mutual benefit derived between the producers and the conscious/ethical consumers of Fair Trade coffee products.

In order to understand how the ethical conscious consumer of Fair Trade coffee products envisioned Fair Trade, I asked whether consumers believed Fair Trade was a movement or

market. On the one hand, Ira, who I previously identified as an ethical and conscious consumer of Fair Trade products, responded:

“It [Fair Trade] is somewhat of a movement, I would love to know that the extra money I’m spending on something is getting the farmer health benefits-something that would make it more worth his while to sign on to that kind of thing [Fair Trade certified cooperative]. I’d like to think that they’re [farmers] getting what we hope they’re [farmers] getting.”

On the other hand, Oscar sees Fair Trade certified coffee as a market:

[I’m] about certified organic [referring to coffee]...I’d rather drink something that’s certified organic. I see it [Fair Trade coffee] more a political thing, but, I see it [Fair Trade coffee] in terms of a market.”

**3. Reciprocity:** Reciprocity refers to the bonds between Northern and Southern global communities connecting the consumer and producer.

Of all the consumers interviewed, only one, John, had actually visited the Global Southern coffee communities. When I asked him to talk about the coffee producers that he visited and what he thought about them, he responded:

“[I]’ve been in places like, Nigeria, the Ivory Coast, Colombia, and actually seen the actual production because I was in the shipping industry and actually got to see all of the operation and being involved in the transportation of their [farmers] products.” [The only place he indicated he had not been is the Far East]: “so that’s a place [the Far East] I have no experience with their coffee production.”

Though John did not define his connection with the producers directly, he described them (the farmers) in a more global perspective, connected to the global market for their (the farmers’) survival:

“[T]he people [farmers] that do it [produce coffee], do it for a living. Just like anyone else, they’re trying to make a profit on

what products that you buy and unfortunately sometimes if there's an over production in any market, the price can drop considerably which leads us to things like coffee stabilization boards."

John believed that Fair Trade was both a market and a movement. In the traditional coffee chain, John states, "it's all about power and depending upon the country, the power may be yielded by people who just want to control what they control." Decisions in the traditional coffee chain give no voice – no power – to the concerns of small farmers. Large multinational coffee conglomerates work closely with large plantations, which produce vast supplies of coffee beans, at profitable prices, for the shareholders of these corporations.

Thus, small landholder farmers have no leverage, nor can they influence decision-making in the coffee commodity market. The traditional coffee market inhibits the social capital (social networking) between the two actors at opposite ends of the coffee supply chain, the producers and consumers. In this traditional global coffee market, most coffee is produced in large plantations, owned by multinational corporations, with little or no participation from small landholder farmers. In order to enhance the quality of life of the poor landholding coffee producers, bonding and bridging between the producer and the consumer is critical.

**4. Bonding and bridging/degree of common identity:** Bonding and bridging, indicating a degree of common identity, is a common phenomenon within a producer network of Global Southern certified Fair Trade cooperatives. As more ethical consumers travel to, and work with the Global Southern producers, bridging can elevate the degree of common identity between the Global North and Global South.

Long Island is a suburban community located outside of New York City, with little commonality with small farmers. Ira, John and Quinn had traveled extensively and two were



children of diverse cultures, however, the interviews otherwise revealed no common identity between consumers and small producers.

When I probed whether any of the coffee consumers had participated in Fair Trade organizations, none indicated that they had specific connections within a producer-consumer global coffee organization nor had any knowledge of a “Fair Trade town” such as Chicago (Escobar 2008).

**5. Obligations and expectations:** The producers at the front end and buyers and importers along the supply chain are the first set of actors legally and contractually involved with the production and delivery of coffee products. Legal contracts specify the reciprocal obligations and expectations of both buyers and producers throughout the harvest season. This includes the price paid to the producer with an expectation that there will be a quality coffee product delivered to the importer at the end of the process.

The secondary set of actors are the ethical consumers who have expectations of transparency from the Fair Trade certifying process that guarantees “Fair Trade” through the standards set by the international and national certifying labeling organizations that I specified in the body of my study.

Above, in the previous sections of this chapter, I have extensively quoted two consumers, Ira and Nancy, who indicated that they both trusted the Fair Trade certifying process. They displayed moral obligations, though they did not describe themselves as moral, to buy and give only Fair Trade certified products as gifts.

Of the thirteen consumers interviewed, Ira, Oscar and Nancy understood the difference between organic and Fair Trade products and logos. Three interviewees, Ed, Karen, and Miles,

were not aware of Fair Trade connections. Miles had no desire or curiosity about the producers and their role in his coffee consumption. Betty, Carl, David, Haley, John, Haley, Peter, and Quinn could not distinguish differences between organic and Fair Trade products. I believe that there is some confusion among consumers in distinguishing between these two kinds of products and logos. Lack of information at coffee cafes distinguishing between these two products may be one of the reasons for this lack of awareness on the part of the consumers I interviewed.

**6. Information channels:** Appendix 2, *Information flows: strengthening networks within a social capital concept*, identifies the social actors both within and outside of the Fair Trade coffee supply chain. They include, but are not limited to, producers and their marketers, the promoters of Fair Trade to the consumers, and the certifying organizations. These Fair Trade certifying organizations continue to strengthen their mission's goals. The FLO has now expanded its board of directors to include not only third party certifiers but also Fair Trade Cooperatives which represent the small landholding producers. Civic engagement and intra-community networking strengthens social capital attributes, producing websites, pamphlets, and working papers educating those actors involved in Fair Trade.

In the remainder of this chapter, I will mark all of the social capital concepts in **bold** to accentuate the connection with the identified actors who may display social capital attributes.

Through a thorough analysis of my interviewees, I believe Ira and Nancy exhibited **trust** of the Fair Trade certification label and **reciprocity** (the **mutual benefits** derived from Fair Trade for both the farmer and the consumer).

Ira stated that he feels there are mutual benefits being involved in coffee cooperatives as the members (farmers) are getting health benefits with the extra money they receive from being

members of a democratic cooperative. Ira spoke to the benefits that he believed the fair-trade farmers received:

“I’d like to think that the farmers and the people involved in the original process are being paid a fair wage, whatever that means to their society, that they’re not being abused, maybe the government’s looking out for them. I’d like to think there are other positives [benefits that farmers can receive from certified Fair Trade cooperatives] too.”

Ira and Nancy use Fair Trade products and give them as presents to their family. They see Fair Trade as a social movement and easily identified the certified Fair Trade labels when viewing the page of labels in front of them.

In analyzing the responses of the Long Island consumers overall, a major theme emerged: the lack of awareness of Fair Trade products or the certification process. This leads me to the conclusion that eleven of the thirteen Long Island, New York northern Global consumers lacked the attributes of social capital in praxis of their claims, behaviors, or purchasing decisions. However, all but one of the consumers (Miles) was interested in knowing about the connection between their drinking of coffee as a beverage, and farmers (not sure where) that produced it.

The next section of this analysis examines the praxis of the Long Island business owners who are roasters/distributors, and/or owners of coffee shops who I have identified as organic/Fair Trade coffee sellers, based on the logos on their storefronts and /or on their websites.

## ***II. Business Owners***

### **A. Overview of the Owners**

I used Google, an internet search engine, to find Fair Trade coffee businesses (including coffee shops, organic markets, and Fair Trade roasters). I restricted this search to Long Island, New York.

Of the ten businesses I attempted to communicate with by phone or email, three were no longer in operation. Additionally, one of the cafés that I used in this study has since closed its doors. Long Island, a suburb of New York City, was hard hit by the recession of 2009, as were other areas around the nation. In addition to other commodities affected by consumers' economizing behaviors during the recession, coffee purchasing may have suffered. By the fall of 2012, Hurricane Sandy also had a devastating effect on Long Island businesses, which have suffered extreme losses due to customers no longer living in their homes and businesses closing because of the floods.

I was however, able to interview four roaster/shop owners during spring and summer, 2012: Steve, Vera, Tom and Warren. As in the previous section of this chapter, all names are pseudonyms to protect their identity. While Vera, Steve and Tom are roasters, distributors, and shop owners, Warren was just starting out as a roaster/distributor and hoped to one day open his own shop.

Table 5.2 below shows the characteristics (gender, age, race, education, occupation, and income) of the business owners from the demographic data I collected about each participant. In addition to the socio-economic characteristics of the owners, I collected data via observation of each of their locales.

Table 5.2 SOCIO-ECONOMIC CHARACTERISTICS OF BUSINESS OWNERS

NAME	GENDER	AGE	RACE	EDUCATION	OCCUPATION	INCOME	LOCATION
Tom	Male	50's	American Indian	Bachelor's	Roaster/distributor / café owner	<\$40,000	Coffee shop/ café
Steve	Male	50's	white	High school	Roaster/distributor	\$40,000	Coffee shop/

					/ café owner		café
Vera	Female	40's	white	Master's	Roaster/distributor / café owner	N/A	Coffee shop/ café
Warren	Male	30's	white	college	Roaster/distributor	\$60,000	LI coffee roaster

Note: The names in table 5.2, also referenced in the discussion below, are pseudonyms.

### 1. Steve's Coffee

Steve has been a Long Island roaster for twenty-plus years. Following Steve's driving directions I found his coffee shop located in a strip mall. Without his direction I would have had difficulty because the sign for the shop was extremely small, simply placed in the shop's window. I easily would have missed this coffee shop because his outside logo was smaller than any others in this strip mall.

As I walked into his small establishment, I observed three round tables occupied by customers who were reading newspapers, watching ESPN on his television, or gathered around one of these tables speaking about business ventures they had just completed. I observed two posters: the one on the top was a commercial coffee advertising poster from the 1960's, showing an image of an actor portraying the fictional *Juan Valdez* (see Appendix G). The other poster under it was a certified Fair Trade logo from the old Fair TradeUSA organization when it was affiliated with the international FLO (again, not an original poster but one used to identify Fair Trade coffee). I began to question how this might confuse the customers in their decision to buy Fair Trade coffee, as both the traditional Colombian coffee representing a fictional coffee farmer and certified Fair Trade coffee logos were placed together on the same wall. All the consumers in the shop at this time were men: some dressed in business suits, others casually dressed.

Steve greeted me and was eager to speak about his many years in the coffee business, especially his years with the Fair Trade certifiers which charged him a fee to carry their label (I will clarify this relationship with the statements Steve makes during his interview with me). Before engaging in the interview process, he introduced me to his wife Linda, a South American national, whose family had owned a coffee farm in a South American country. He explained his and his wife's passion for the coffee they buy, roast, and sell (by the bag and the cup) to their customers.

As I observed him speaking to his customers, I noticed he made each of them aware of the "quality" of his coffee. While he was educating the customers, I had the opportunity to interview one of them. David (a pseudonym), attested to Steve's passion about his coffee products and trusted his (Steve's) expertise. David stated, during our interview, that he was a "loyal" customer who purchased coffee only through Steve's establishment. During that visit I began to sense that Steve had attributes of social capital, which may explain his success and longevity.

When I asked Steve about his customers' awareness of the Fair Trade logos prominently displayed in two places (one on the wall and the other over his soda dispensing machine), he responded: "They've heard about it [Fair Trade coffee]...yeah, we just don't promote the coffee from Fair Trade because it has nothing to do with quality."

Though Steve had been a certified Fair Trade distributor in the past, and had paid his fees for the use of the Fair Trade logo on his products, he made it clear that he is now very mistrustful of the Fair Trade organizations he had previously been part of (the distributor network). I was confused about his comments about "quality," versus Fair Trade certified coffee, so I probed him

to clarify this confusion. He responded, “the best quality is...where you deal with the farmer directly [going directly to the farmer for a quality product] and you pay him double what the Fair Trade [supply chain] pays.”

It seemed to me that Steve was no longer interested in being a Fair Trade certified distributor with a certified Fair Trade logo displayed on his coffee products. He would rather go directly to the small landholder farmers and pay them “directly”; cutting out what he considered was the “middle man”.

Steve, who began using Fair Trade certified coffee twelve years ago, explained how he was forewarned against using the Fair Trade label by the roasters and distributors that he had started purchasing his coffee through. Steve explained this statement in his response:

“I was told by my mentor and those in the industry not to go with Fair Trade ... because it had nothing to do with quality, and, they really couldn’t control what they [the Fair Trade organization] were doing. They [Fairtrade USA] couldn’t monitor what was going on, no matter how much money they [Fairtrade USA] took in. I gave it a shot because I thought the awareness that they [the Fair Trade organization] brought to the world was a good thing and then realized after a couple of years that it has nothing to do with quality. I’d prefer to have given the money directly to the farmers than to Fair Trade, tell you the truth, because there was a licensing fee when you sell it. And after twelve years of paying licensing fees, and realizing everybody else around me was using the mark [Fair Trade certified logo] without paying licensing fee, I just stopped.”

I probed deeper into his reasons about paying a licensing fee and his distrust of where the money was going. He responded:

“How can you allow people [the distributors of Fair Trade coffee beans] to bring in containers [of] this coffee [pointing to large burlap sacks of green coffee beans that have just come into his shop] and they’re not paying the fee [for Fair Trade certification logos]? But the mom and pop roaster, meaning us, gets to pay the

fee, and all the other roasters don't pay a fee either and nobody does a thing for it. So then, if money's going to the farmer and ten cents goes to the Fair Trade organization for monitoring it, why is the monitoring not going on? This certainly is a lot of money going through there, so I realized then that it was a scam, they weren't going to monitor what they were doing."

Steve remarked many times that Fair Trade *was* (past tense) a great idea, that Fair Trade labeling organizations (Fair Trade USA particularly) brought a lot of awareness to consumers and distributors. But certified Fair Trade was no longer a good idea for his business. He expanded further on this, by responding:

"You know, the way I look at it, the licensing fees that I paid, I probably could have built another ten houses for farmers in Colombia [a country he bought his coffee from directly] instead of mansions for people in California [home office of Fair Trade USA]. It left a bad taste in my mouth and if the whole idea of Fair Trade is to monitor what's going on, and they can't do anything, then you know what?... We do direct trade... we go to the farmers directly."

How does direct trade generally compare to Fair Trade? Consultant Jonathan Rosenthal, one of *Equal Exchange's* founders and now executive director of *Coop Coffees*, developed *Just Works Consulting's* mission statement: *Just Works Consulting* "helps ethical organizations providing them with strategic thinking and design to help trading organizations re-envision and re-create trading systems to be more ethical, fair and impactful" (Rosenfeld 2012). In their blog, consultant Jonathan Rosenthal responded to a question on the difference between direct and Fair Trade:

Direct trade can be fabulous, as can Fair Trade. There is a range of quality available in either. Direct trade focuses on a direct relationship with a coop, single farmer or estate. It is not part of a network that supports the development of coops, secondary coops (a group of coops that forms a business to export, owned by the coops). Thus, the focus is not only on small farmers and generally doesn't look to support the secondary level and the regional and hemispheric and global networks of Fair Trade. Thus, I think direct trade is great for some farmers and



offers some superior prices and relationships. But, overall, Fair Trade gives a systemic approach that is building for generations for whole communities (Rosenthal 2012).

By 2014, in his keynote address at *Fair Trade Federation's Annual Conference*, Mr.

Rosenthal was asked once again about the direct trade approach. He responded:

The weakness, in my mind, of the direct trade approach is that it has not so far included attention to movement building and larger systemic change. Just as microfinance has learned, if we only focus on improving incomes for individuals, it is very hard to create long lasting systemic change. Also, there are no standards and uniformity of claims by direct traders. This does save money and avoids the “zooification” effect of examining every aspect of producers’ lives for certification but it makes it harder for eaters and drinkers to know if claims are credible (Sera 2014).

My interviewee Steve did not seem to want to bad mouth the certifying organizations, particularly FairTrade USA: “It [Fair Trade] is a great idea.” But, he also gave one reason why it was not transparent to possible customers:

“Fair Trade would post a list on their website of those that are paying the licensing fee that should be using the mark. And then you look at the list and you call them and, I would tell them they never put our website on their website.”

Steve reiterated that it [Fair Trade] *was a great idea* implying it no longer is to him. I began to understand that Steve, who had an excellent reputation as an honest and forthright coffee distributor, would not be an advocate of Fair Trade USA certified coffee. Steve was not alone in his criticism of FairTradeUSA.

By mid-2011 Fair Trade USA had already been criticized and was under pressure from various consumer associations, among them the *Organic Consumers Association*. In their November newsletter, they outlined their criticism: “Fair World Project (FWP), a campaign of the Organic Consumers Association, claimed Fair Trade USA's (FTUSA) new standards for

accreditation "hoodwink consumers into believing they are supporting social change" (Fair World Project 2011). The publicized policy revisions drastically diminish the standing of FTUSA as a reputable organization. Many producers and roasters such as Steve had relied heavily on the US market for sales and distribution. Though he was warned early on by his mentors, he believed in the efficacy and reliability of the Fair Trade brand and its label certifying that it was benefitting the global southern coffee farmers. In the final analysis, with the growing criticism, Steve decided not to source or use the FTUSA label for his coffee products. He has not taken down the Fair Trade logo from his wall as of this writing.

For Steve, there had been a potential for social capital with his original mentors to form a network to promote fair trade. If he had had a more positive experience with FTUSA I could see him networking with the newer roasters and facilitating this network in Long Island. The potential was there originally, but he now was convinced fair trade, as it stands now, was not the way he wanted to proceed in his roaster/seller business.

I proceeded to interview the three other coffee roaster businesses indicated in the table above to engage them in their knowledge of Fair Trade certified coffee products.

## **2. Tom, Vera, and Warren**

While Vera and Warren are very new in the coffee roasting business and do not use, or know much about, Fair Trade certification, Tom, on the other hand, has been a distributor for five years. Although Tom did have an understanding of Fair Trade, he did not use the certifying label or join the Fair Trade network. The motto displayed on his website referred to his coffee originating from an indigenous source. My interpretation of this motto led me to believe that, as

an indigenous American, Tom felt a deep direct connection with the indigenous Global Southern coffee farmers.

At Tom's café, a prominently displayed sign advertised that they sold organic coffees, not specifically mentioning Fair Trade. At Tom's roasting facility in a large garage, there was a burlap sack of green coffee beans that had a Fair Trade logo on it, but since Tom elected not to pay any fees for the Fair Trade logo, it could not be placed on his packages for sale. Tom had no interest in joining the formal certified Fair Trade organizations or displaying a Fair Trade logo on his coffee product.

My next interview was with Vera, at her coffee shop. On her wall was a picture of a coffee bean and a coffee plantation in an unidentified location. Vera's knowledge of Fair Trade came from the internet when, twelve years ago, she had explored organic coffee. She began the interview with:

“The internet's come a long way in the past twelve years [laughter] and I just think people's education's come a long way, what I knew about it [Fair Trade] is you have to pay for the labeling, and you have to pay extra for the labeling, and how funny is it that's Fair Trade when it comes to us, but, because we don't pay for the label, we can't sell it as Fair Trade. I think it's about money... if it was about the movement I think that if it left the origin country as Fair Trade, that coffee should be Fair Trade until it's consumed in a cup. It shouldn't stop somewhere, it's [organic is] not necessarily about the money because there's something different about organic. The actual product is different, where with the Fair Trade... the product's not different. It's [organic has] been treated different from the get-go... where you can use this pesticide on one coffee, you can't use it on [another] one. You know all our coffees we get are Fair Trade, but we don't pay for the certification and can't [sell it as Fair Trade coffee]. We are drinking... right now [coffee from] Mexico, so if that was certified Fair Trade, and we bought it, it's the same coffee, it's still the same bag of coffee. That bag of coffee from [distributor R] is saying it's Fair Trade, but then we take it and we roast it so it's no longer Fair Trade?”

It was at this moment that I realized Vera was truly confused about the differences between organic and Fair Trade coffee products. She lacked the adequate knowledge used to differentiate between these two products. She believed all her organic coffee was also Fair Trade certified. I spoke to her at length, off the record about the differences between organic and fair trade. She did know that you had to certify fair trade coffee in order to put a label on it, but then she said(see above) that she thought it could also be organic at its origins so then she said it would also be fair trade:

the product's not different. It's [organic has] been treated different from the get-go... where you can use this pesticide on one coffee, you can't use it on [another] one. You know all our coffees we get are Fair Trade, but we don't pay for the certification and can't [sell it as Fair Trade coffee]. We are drinking... right now [coffee from] Mexico, so if that was certified Fair Trade, and we bought it, it's the same coffee, it's still the same bag of coffee. That bag of coffee from [distributor R] is saying it's Fair Trade, but then we take it and we roast it so it's no longer Fair Trade?"

Continuing the interview, I asked Vera: "Do you believe Fair Trade is a market or a movement? She responded:

"[F]rom what I see of Fair Trade... it is...it's a label. And people look at that [Fair Trade] label and they...something generates with them, it's a thought in their head. I think it makes people feel good. For me, it's just a picture and it's cute. There's no emotion attached to it with me."

Interestingly, Vera used the term "emotion" as if Fair Trade elicits an emotional response. She seemed to equate the purchase of Fair Trade products with positive feelings related to the promotion of social equality, thus making Global Northern coffee consumers "feel good."

When I remet Vera at the farmer's market the following week she thanked me for the 'off the record' education (as she put it) and was no longer confused.

After the interview with Vera, I discovered that there was an up and coming new roaster/distributor at a coffee shop in another township. Warren had a passion for roasting, and was extremely interested in an interview with me when I contacted him.

Warren, the newest of the roasters, roasted green beans in his home garage. Similar to Vera, he showed some confusion about the relationship between organic and Fair Trade certified coffee. He understood that both products needed labels, and a fee for each had to be paid before one could use the label on their specific coffee product:

“You know just saying I’m organic - you’ve got to get certified... that certification isn’t free. You have to pay for an organic certification, the thing about these [certifications in coffee], the coffee world, that, you know, where coffee is grown, they’re third world countries [clearly indicating his knowledge of the supply chain connection]. They [the farmers] can’t afford to be certified. They could be practicing sustainable practices, and a good percentage of them could be 80-90% organic by default, so I don’t always look at the label as, you know... if they’re labeled, I trust it, but I don’t always agree, that, just because it has a label that you can only be organic if you have certification.”

Warren continued:

“And I really didn’t do the research and say I would do this [certified Fair Trade]. If I could do it over [four years ago] would I be all organic and Fair Trade? At this point in time, possibly... the organic coffees, which a lot of times, most organic coffees are also Fair Trade certified.”

Overall, Warren was more conscious of the connections in the coffee supply chain, indicating that he knew the difference in organic farming versus Fair Trade practices. He was cognizant of the different labels, but not yet sure about their subtle differences.

By the time I met Vera again, at the Farmer’s Market, she had researched whether or not all organic coffee was also Fair Trade certified. She also indicated that R, her distributor,

acknowledged that organic and certified Fair Trade coffee *do* have different monitoring systems for each label.

If the labeling and certification process is confusing for these new roasters, how accurate will be any information about Fair Trade between them and their customers? Vera did indicate to me that only one customer wanted the assurance that her coffee was Fair Trade certified. Before Vera did her research, she indicated to this customer that she “believed” it was Fair Trade because the coffee had an organic label. Warren indicated that, to the date of our interview, none of his customers had requested a Fair Trade product.

### **B. Social Capital and the Long Island Roasters**

As with my analysis of consumers and their social capital attributes, I analyze social capital among these Long Island “roasters” – my shorthand term for businesspeople who roast, distribute, and in some cases retail coffee. Among the four I interviewed, Steve exhibited social capital attributes most strongly. Specifically, he exhibited bonding and bridging, trust, mutual benefit, and information channels.

**Bonding and bridging:** He goes directly to several Latin American coffee farmers, establishing a long term relationship with the individual farmer. Steve explained the longevity of his relationship with the farmers: “We’ve had farmers that we’ve dealt with for ten years.” This may indicate a high level of **trust**, which is indicative of successful social capital and the ability to reproduce this relationship for **the mutual benefit** of both the farmer and the buyer/roaster.

Steve spoke about the farmers and their economic and social class status. He indicated that many of these smaller farmers don’t stay loyal to him: “They don’t understand the sustainability of it [relationship], the long-term relationship that we want... because that’s not the

way they think.” He sees a lot of poor farmers, but his narrative indicates that once the farmer “gets bigger... the less loyal they’ll become. The small farmers have a little more difficult time, it seems, but... we like to deal with smaller farmers and help them out.”

**Trust** of the farmers: Steve **bonds** directly with individual farmers and **bridges** with the farmers, visiting farmers in five Latin American countries as often as he can.

**Mutual Benefit:** These are exhibited by Steve when he helps farmers build houses in a South American country. On the one hand, the farmers get a home that upgrades their standard of living, bringing in water and electricity directly into their homes. In return, Steve, on the other hand, establishes a long term relationship that enables him to buy the quality of coffee he desires from those he has helped.

**Information channels** are open between Steve and U.S. and international brokers, with whom he has developed relationships for the past twenty-plus years.

Steve speaks highly about the broker’s role in the coffee commodity chain and indicated that it is better for the government not to become involved. Yet, much of the money earned by the farmers is taxed highly in third world countries. This money goes directly to the government. When probed about the government’s involvement in the coffee trade, he responded:

“Our whole problem in coffee-producing countries is [that] the government’s so corrupt you cannot cut them out of the game [referring to the supply chain]. The farmer’s lucky if he gets a dollar out of it [the eight dollars that Steve pays for a pound of coffee].”

My interview with Tom, a Native American, revealed little sign of social capital. I was surprised that Tom’s connection with the indigenous farmers, as I conceptualized it, was stifled by his economic goals. I wondered whether his motto, which was not prominently displayed in

his café, was purely placed on his internet site to maximize consumer patronage. His motto indicated that he had a commitment and a social responsibility to those producing his product, but, in our interview, he did not indicate a dedication to Fair Trade principles. It was at this point that I wondered if he displayed any social capital attributes: **trust, mutual benefit/degree of mutuality, reciprocity, obligations and expectations**. There was a hint of **bonding and bridging/degree of common identity** displayed as a motto on his website indicated an indigenous roaster sourcing from indigenous farmers, but he seemed as if he were only trying to compete for a better market distribution.

My interview with Vera did reveal some signs of social capital: trust, bonding and bridging, and mutual benefit.

**Trust:** Vera exhibits some social capital attributes in her coffee product's name, which referenced human activity that produced and moved it... She explains that there are “so many hands that [handle coffee beans] along the way.” This is an example of the “**trust**” she feels in the supply chain process.

**Bonding and bridging:** Vera understands the need to bond with the farmers as the beans are processed along the supply chain that enhances the quality of the beans as they go through the many hands.

**Mutual Benefit** for all: Vera implied mutual benefits, for example, by saying:

“[a]nd then, you know, you're making it [coffee], you're serving it, and then, I mean, to me you're [taking care of] your soul when you drink it.”

Warren did not display social capital attributes that I could consider for the purposes of my dissertation research, but he did provide some very articulate insights about the Long Island experience, which I will illustrate in the next section.



### **C. Summing Up the Long Island Experience from the Roaster's Perspective**

I asked Warren: “Summing up the Long Island experience, when it comes to coffee, what kinds of a statement can you make?” He responded:

“I don't think that the demand is necessarily there for it [Fair Trade certified coffee]. I think the highest demand right now is going to be — from what I've seen — possibly organics. And it seems that organic food is almost the way to go. It [organic coffee] may be sustainable, but I do see down the road [for organic food] there might be more demand [compared to Fair Trade items]... it's still in the younger phases [organic coffee]. I don't think people are aware enough of what they are eating [and drinking to make informed choices]. I think at the end of the day ... they're looking for quality. Most of the larger roasters are using direct trade [with] ... small plantations [to source their coffee].”

Long Island roasters need to become more educated about the differences between organic and fair-trade products in order to respond to consumers' request for Fair Trade coffee products. Ethical Long Island consumers need transparent information about Fair Trade production standards to choose meaningfully from among the plethora of coffee products confronting them in the various shops and stores in Long Island. Warren recognized some of these challenges when he said:

“If you're just looking at the label you're kind of naïve to what goes into getting that coffee. Just because it has a label doesn't mean ... necessarily that it [Fair Trade] is doing the right thing. You'd like to think it is, and there might be, a heavy abundance of them [certifiers] doing or practicing the right thing, but it doesn't always mean that.”

Tom may be verbalizing what many ethical coffee consumers are pondering: the ethics of Fair Trade retailers when they place the Fair Trade logo on their coffee products. Despite the incredible potential in the United States to support ethical and fair companies and initiatives, the market is overrun with hundreds of labels and certifiers, many with questionable ethics and

standards. FWP (Fair World Project) states that, to assure that Fair Trade continues to empower and support impoverished farmers worldwide, it will continue to monitor the development of Fair Trade standards and to engage consumers in the fight for Fair Trade integrity (Webb 2011).

Similar to Steve, but not as cynical as Steve has become on the practices of FairTradeUSA, Warren, when asked do you think Fair Trade is a movement or a market, answered:

“Well, I’ll tell you...I don’t want to use the word “gimmick”, but, you know...the whole relabeling thing going on...[i]t’s almost like someone had a hidden agenda, and we couldn’t work together. This one isn’t out to do the right thing, we are. Are we just putting labels on things as a gimmick, are we really doing the right thing, and giving farmers proper pricing and proper wages?...I don’t know if covering 90% of the market, will, reassure me that these farmers are getting the right prices. I think it might, you know...dilute the overall impact of Fair Trade.”

### ***III. Baristas (coffee brewers and servers)***

I interviewed three “baristas” (the Italian word for bartender) on Long Island. At the organic food store one of two baristas agreed to be interviewed for my study and was very interested in any information exchanged to help him better identify Fair Trade coffee products that his customers requested. Though he had been trained to be a barista, he had little knowledge of the differences among the brands of coffees he served. At the coffee shop supplied by roaster/distributor Steve, a barista had no interest in understanding the actual differences in the coffee he serves, but agreed to be interviewed. The third barista I interviewed, at another coffee shop, was extremely knowledgeable about Fair Trade coffee and other Fair Trade products. She bought and gave Fair Trade products for her friends, relatives, and self. Table 5.3 below shows

the characteristics (gender, age, race, education, occupation and income) of these baristas from the demographic data I collected for each.

### 5.3 Socio-Economic Characteristics of Baristas

NAME	GENDER	AGE	RACE	EDUCATION	HOUSEHOLD INCOME	LOCATION
Frank	Male	21	white	Junior in college	\$20,000	Organic food store
Gene	Male	20	white	Associate's	< \$10,000	Coffee house
Lisa	Female	26	white	Bachelor's	\$20,000	Coffee house

Note: The names in table 5.3, also referenced in the discussion below, are pseudonyms.

As I entered the organic food market and headed over to the café section, I was warmly greeted by my first barista, Frank. He was enthusiastic about this interview and wanted to see a transcript when it was prepared (which I obliged him within two weeks of the interview). From our conversation and subsequent interview, I became aware that he was not only a barista and student, but also a political activist.

When I asked Frank: “When purchasing a coffee product, what are your three characteristics that you think about in relation to purchasing that product?” Frank responded: “The whole Fair Trade thing.” When asked if he thinks of the connection between himself and coffee producers, his response was an immediate:

“Definitely, I’ve definitely thought of that before [the connection with the producers]... how is the money getting back to the person that made this [product]? And like it goes through your head because we get this in our store ...like it’s such a big process. Okay, the farmer’s getting like...maybe fifteen cents out of this bag or something...so it’s kind of crappy to think about [this poor deal]...definitely [this] is on the top of your [my] mind.”

I next approached Gene, a barista at a coffee shop that clearly displayed the Fair Trade sign on its front door. When I asked him about his criteria for purchasing coffee for himself, he responded “flavor and caffeine,” followed by a nervous laugh. When I probed further for the connection between Gene and the Global Southern producers, asking him where the coffee he brewed came from, he responded: Steve’s (the roaster).” I then asked if Gene ever thought about the people who *produced* his coffee, he responded: “I haven’t, but now I am.”

Gene seemingly had given little thought that there were farmers who actually produced his coffee product. Perhaps his initial response arose from the immediate connection with Steve who delivered the roasted coffee beans to his shop at 4 p.m. every other day. Gene seemed to have no training about the producer-consumer connection, lacking the capability to distribute information about Fair Trade to his customers if they asked.

Lisa, my third barista, greeted me when I entered the third coffee shop. When asked about her characteristics as a coffee purchaser, she responded:

“I definitely think about what goes into the product before I even think about how it tastes...I really make a huge effort to only buy Fair Trade coffee. Probably 98% of the coffee that I have is Fair Trade...So Fair Trade, organic and then [she pauses and laughs].”

When asked about the connection with the Global Southern producers, Lisa responds:

“Definitely [I do know of the connection between myself and the global coffee producers] ... that’s why I choose Fair Trade. I know that I do want them to be able to have a good quality of life and I don’t want to drink coffee made by sad farmers, so I want to make sure that ...they’re not exploited and they’re not taken advantage of in any way.”

She continued with her personal philosophy of drinking coffee:

“Drinking coffee is kind of like a ritual and one which our side of society is kind of lacking in. And I enjoy this ritual and I like it to be a special thing, not something like you can go and get at any corner” [referring to her preference to buying at a small local company, preferably where she works].

Both Lisa and Frank are active in political organizations and have campaigned for and organized marches for their respective causes: the environment and Lesbian, Gay, Bisexual and Transgender (LGBT) rights. One attends rallies and goes door to door campaigning and the other runs support groups and lobbies for new legislation. It became clear that both were displaying attributes of social capital as we continued with the interviews. In one case, the political organization provided a welcoming space for anyone to feel like they had a voice and participate in any way they wanted to. In the other case, the organization took to the streets in upstate New York and has demonstrated for their cause.

When asked about Fair Trade, Lisa was more knowledgeable than Frank, expressing terminology relevant to both Fair Trade and social capital:

“Fair Trade means that the product I am consuming is delivered to me through means that is beneficial to everyone involved, from start to finish. I learned about Fair Trade in college as a member of a food co-op [in Florida]. We opened a store [Fair Trade products] and you would work for three hours a month as part of your membership.”

The above statements from Lisa indicated a network of **bonding** and **bridging** to the customers of Fair Trade products. She continued:

“I definitely heard the term [Fair Trade] before, but that’s when I really got to know exactly what it meant.”

Lisa indicated that she (ego) has a network of friends (alters) that only buy and give Fair Trade gifts to one another. She emphasized that she likes “to spread the word” about Fair Trade. Lisa considers herself to be part of the Fair Trade movement, making choices in her daily life

that are... “parallel with that movement...to purchase only Fair Trade products.” On the one hand, Lisa sees Fair Trade as a movement. “[O]nce you know that there’s a Fair Trade option... that it wasn’t fair in the first place, it just seems...it just seems wrong not to [buy Fair Trade items].” On the other hand, Lisa sees it as a market and is concerned that...“companies that use this as a market try to exploit maybe the population that really wants that product and they’re [the companies are] just kind of using it as a marketing tool.” Lisa didn’t name coffee shops that may do this, but clearly she implied a particular coffee shop that has proliferated around the world and does advertise as socially conscious. As of this writing, the company she was alluding to, *Starbucks*, is now part of the FairTrade USA certifying organization and so is allowed to use the new logo that does allow them to source from large plantations.

Lisa **trusts** certified Fair Trade more than an organic label. She seems to know the difference between the two: “... something may be organic—it seems a little vaguer [than Fair Trade].” When shown the page of Fair Trade logos, Lisa comfortably pointed to many Fair Trade labels and identified them with ease.

In an analysis of the three baristas that I interviewed, clearly Lisa displayed the attributes of social capital in both her claims and behaviors toward Fair Trade certified coffee and other products. This indicated to me that social capital may well be reproduced within her social network. She is also located in a small village which may provide the civic engagement and community activities promoting both the concept of social capital as well as providing Fair Trade products within their stores.

Frank displayed the potential for social capital and Fair Trade. He indicated to me that he wanted further information on Fair Trade so that he can be more informed of Fair Trade products

at his organic market and begin to educate the customers as he becomes more comfortable with his own knowledge base. He exhibited a social capital attribute; a **mutual benefit** could be accomplished for the knowledgeable Fair Trade consumer and the Global Southern producer.

Gene is a purchaser with no indication that he has any desire for further knowledge about the Fair Trade coffee product he brews and serves. He is moving on to college and giving up his “barista” title in the fall.

#### *IV. Egocentric Social Networks*

Egocentric social networks (see discussion in III. D. 5 a), subjects’ social contacts and their relationships, have a long history in sociology. In their study on egocentric social network structure, (O’Malley 2012) conducted a network survey instrument for a nationally representative sample in order to study the relationship between individuals’ social networks and their health and behaviors. The survey extracted information from respondents (egos) on their relationships to the peers they spend the most time with or discuss important issues with (alters).

In the context of everyday life, we, as social actors, form a multiplicity of relationships. Each person has their own network of relationships that cut across many groups and that contribute to their behaviors and attitudes. O’Malley 2012 noted that as our networks become larger each tie we have to others is expected to weaken; this seems to be a consequence of individuals’ limited capacity to maintain large numbers of close-ties (7). The reported average closeness to all friends decreases as the number of one’s friends increases. In my study I inquired about and included spouses, children, co-workers, fellow church members, etc. as respondents’ egocentric network members. I also asked my interviewees whether they were members of any clubs/organizations (e.g., college, political, economic, work related, civic,

religious, social justice, or social movement organizations; see Interview Guide, question 9) to elicit information on their social networking, which I analyzed as attributes of social capital. Ethical consumers may be linked to social networks which may or may not be directly related to the Fair Trade mission (such as those described in the previous chapters). I believe that those consumers who are most involved and connected to a widely-known organization may be more conscious of the connections (social networking) that may help them enact ethical consumptive behaviors that favor purchasing FT products.

In an analysis of the thirteen consumers, Ira displayed egocentric social networking in his narrative of his circle of friends (alters) and himself (ego) and his understanding of how their buying of Fair Trade coffee affects the wellbeing of the global southern farmers:

“Yeah, a good portion of my friends [purchase Fair Trade coffee]. We are like-minded people. I would hope that some of those things [fair pay/wages] for farmers [for example] are being taken care of. To be honest, I think it may be more for what I want it to be about [than] what it really is. I bought it [Fair Trade coffee] because it is Fair Trade.” (Ira, a baker and chef, in his thirties)

In an analysis of the three baristas that I interviewed, clearly Lisa displayed the attributes of social capital (egocentric social network) in both her claims and behaviors toward Fair Trade certified coffee and other products.

When asked about the connection with the Global Southern producers, Lisa responds:

“Definitely [I do know of the connection between myself and the global coffee producers] ... that’s why I choose Fair Trade. I know that I do want them to be able to have a good quality of life and I don’t want to drink coffee made by sad farmers, so I want to make sure that ...they’re not exploited and they’re not taken advantage of in any way.”



Lisa's narrative indicated to me that social capital may well be reproduced within her egocentric social network as she is well aware of the importance of continued connections with herself (ego) and the global southern farmers (alters). She definitely displayed an egocentric social network in her response to her giving Fair Trade gifts to her friends (alters). Lisa indicated that she has a network of friends that only buy and give Fair Trade gifts to one another. She emphasized that she likes "to spread the word" about Fair Trade. Lisa considers herself to be part of the Fair Trade movement, making choices in her daily life that are... "parallel with that movement...to purchase only Fair Trade products." She is also located in a small village which may provide the civic engagement and community activities promoting both the concept of social capital, and increased social networking, when providing Fair Trade products within their stores.

In 2001, at an American Sociological Association session, Claude S. Fischer presented a critique of Robert Putnam's *Bowling Alone*. In his paper, "Author Meets Critic: Putnam, Bowling Alone," Fischer focused on two concerns: the coherence of "social capital" as the book's central concept and whether Putnam is correct about a decline in social connections (Fischer 2001: 1). These are two concepts I focus on in my analysis of social capital as it relates to the Northern coffee consumers' consciousness and understanding of their connection to global Southern coffee producers. Fischer takes exception to Putnam's term "eroding social capital." He sees the phenomena Putnam describes this way better conceptualized as "increasing privatism." He queries whether Americans' withdrawal from public activities (politics, civic clubs, church functions, etc.) means that they have withdrawn all the way into isolated, lonely selves – what Fischer defines as "ultimate individualism." Fischer does not refer to the current use of the

internet in his critique of Putnam's notion of eroding social capital. However, for the purposes of my dissertation, use of the internet plays an important role for the very few socially conscious Long Islanders I have identified above. They can connect with other socially conscious fair trade consumers who are buying and using fair trade products. This "bridging and bonding," through the internet, is an important concept that Putnam illuminates in his social capital theory. As I described Lisa's involvement in the Fair Trade mission above, I posit that what Putnam means by "social capital" applies not only to the immediate community one dwells in (bonding with personal networks), but also applies to the few Long Island coffee drinkers who purport to use the internet for making important life decisions and connections beyond their immediate dwellings (bridging). "Internet chat groups" whose participants live in widely scattered geographic locations "may bridge across geography, gender, age, and religion, while being tightly homogeneous in education and ideology" (Putnam 1993: 23). However, Fischer's critique of Putnam's "eroding social capital" may well apply to the majority of those coffee drinkers I interviewed in Long Island, people who may do little more than commute, work, and watch television with the lack of a cohesive information channel between themselves and the Fair Trade movement that supports, in my opinion, the "social capital theory."

#### ***V. Social Capital in Long Island***

I posit that the lack of a cohesive information channel between the roasters, distributors, store owners, and baristas may inhibit social capital among these businesspeople on Long Island. This, in turn, can foster a lack of awareness of Fair Trade products on the part of the consumers. But, building up a network amongst the newest roasters could promote fair trade (i.e. the fact of

there being little social capital and little support for fair trade actually fits the pattern I anticipated that the presence of social capital would facilitate embracing fair trade).

Long Island, a suburb of New York City, is best understood as names on the stops of the Long Island Railroad. There is even a name for the commuters on the Long Island Railroad, “dashing Dans.” Working in New York City and living elsewhere does inhibit a cohesive community. In my search for a cohesive fair trade community in Long Island I found no cohesive community in that has publicized a Fair Trade connection, unlike a centralized city – for example, Chicago which in 2010 declared that it was one step closer to becoming the largest Fair Trade Town in North America (Escobar 2010). In analyzing and comparing Long Island to Fair Trade Towns, I believe Long Island is low on the attributes of social capital. On Long Island, there is no one community in which people and organizations use their everyday choices to increase the sale of Fair Trade products, nor are there known farmers on Long Island for whom Long Island residents can promote positive change or join forces with “other” co-ops in the global south (except for Tom’s motto referring to indigenous peoples).

Lisa, a barista from an eastern small Long Island village, may be able to provide an information channel in that village. It has small boutiques that do sell Fair Trade products and many tourists come to this village to explore its unique shops, restaurants, and coffee shops. But, this is a much insulated village that inhibits networking, unlike a large city. In essence, Long Island does not have the benefit of networking because of the distances between towns and localities.

There are no certified fair-trade coffee co-ops in Long Island. There is no formal organization in Long Island providing membership to those who consider themselves ethical

consumers, so that they may more easily become protagonists for Fair Trade. The lack of an information channel on Long Island inhibits the reproduction of Fair-Trade-facilitating social capital among roasters, baristas, and consumers. This lack inhibits consumers' understanding of how Fair Trade benefits Global Southern coffee producers. None of my interviewees knew about *Global Exchange*, (see III, C 1: ATOs) which envisions an economy based on solidarity: where the environment is protected, children go to school not to work, and workers make a living wage in safe conditions. *Global Exchange* defines Fair Trade as “a positive alternative to exploitative free trade policies, [that brings] transparency into the supply chain between consumers and small-scale producers in the Global South” (Global Exchange 2011). “We educate and empower children and adults to insist on Fair Trade... We don't just urge others to go Fair Trade, we also show how it's done!” Global Exchange Fair Trade stores located in two California cities offer an opportunity for conscious consumption rooted in the celebration of traditional handicrafts; the enforcement of workers' rights; and the empowerment of artisans and farmers around the world” (Global Exchange 2014). There are no Fair Trade stores like those of Global Exchange in any of the communities on Long Island.

Clearly, there is also a lack of ability to identify Fair Trade certifying labels. When I showed my participants the logos available for Fair Trade and Fair Trade products, only five (5) recognized the old Fair Trade USA Certified label (when Fair Trade USA was still a member of FLO). Ira and Nancy, the interviewees most committed to Fair Trade products, recognized the Fair Trade International logo as well (see II A. Fair Trade Network: Preexisting/ Newly Emerging Networks for complete understanding of the Fair Trade international Labeling Organization). Quinn, who travelled internationally, recognized The British Association for Fair

Trade Shops (BAFTS) and Folk's Café with the rooster insignia. Oscar, who works for an organic store, recognized the Equal Exchange logo (see II.A Fair Trade Network: Preexisting/Newly Emerging Networks). Even these interviewees who could identify Fair Trade labels were not informed about Fair Trade USA's split with FLO that year of the interviews, in 2012. They did not understand this critical turning point in the Fair Trade movement in which FTUSA was officially out of compliance with product standards relating to specific processes or treatment of commodities that apply to all traders and producers of Fairtrade products: that all members must be both made up of smallholders, or family farmers, and the producer group must be both democratic and politically independent (Slob 2006).

Though recognizing Fair Trade labels may indicate awareness for those who considered themselves more ethical consumers who buy only Fair Trade products (Lisa and Ira), the label itself may not indicate that it provides ethical standards. Warren questioned the purpose of the label when asked about Fair Trade marketing:

“Are we just putting labels on things as a gimmick, are we really doing the right thing, and giving farmers proper pricing and proper wages?...I don't know if covering 90% of the market will reassure me that these farmers are getting the right prices. I think it might, you know...dilute the overall impact of Fair Trade.”

Most of the individuals I interviewed on Long Island showed little understanding of a coffee supply chain, in which the ethical consumer can place themselves in a more nearly equal economic relationship with the producer. The attributes of social capital are clearly lacking in most of the small sample of consumers, businesses, and baristas I interviewed in Long Island.

## Chapter Six: Conclusion

### ***I. Summary***

What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? This study sought to answer these questions, based on an analysis of semi-structured interviews of 20 coffee consumers, roasters, distributors, café owners, and baristas in Long Island, New York, augmented with documents from some key organizations in the Fair Trade (FT) coffee supply chain. Most of the interviews were of consumers; these focused on how these consumers made their choices about coffee, and they probed subjects' knowledge of and concern with their relation to producers (or lack thereof), including the place of FT coffee in this larger context. Interviews of coffee sellers (roasters, distributors, café owners, and baristas) focused on similar issues, but with emphasis on their decisions to source from FT suppliers or not, and/or their ability and inclination to convey an understanding of FT to their customers. This study is significant in part because a conscious consumer or seller of Fair Trade coffee products has the potential to make a substantial difference in the quality of life of the Global Southern coffee producer, and in part because social capital concepts can help us better understand how this consciousness of FT coffee operates.

### ***II. Three questions***

The overarching question of my study asks: What consciousness do Northern Fair Trade coffee consumers have of Southern coffee producers, and how do networks and social capital among consumers and Fair Trade promoters shape this consciousness? More specifically, my study addresses the following three questions:

1. How conscious are consumers of Fair Trade coffee products of their connections to the global South's coffee producers, and what is the extent and content of that consciousness?
2. How do pre-existing and newly emerging networks among Fair Trade consumers, and between them and promoters of Fair Trade, promote consumer consciousness?
3. How do mechanisms of social capital facilitate these networks?

Below, I briefly summarize how this study answers these questions.

### **A. Consumer Consciousness**

In analyzing the responses from my twenty semi-structured interviews on Long Island, I realized that the majority of my interviewees' responses did not seem to know the origins of the coffee they were drinking and, in the case of two of them, did not care. They were solely interested in the taste (flavor), and that was all they indicated to me. Their interviews were the shortest (approximately 15 minutes) and they implied that they had other places to go).

As I indicated above, most of the individuals I interviewed on Long Island showed little understanding of a coffee supply chain, in which the ethical consumer can place themselves in a more nearly equal economic relationship with the producer. The attributes of social capital are clearly lacking in most of the small sample of consumers, businesses, and baristas I interviewed in Long Island.

“You know, I don't [laughter], I really don't, now that you mention it [laughter again]” (Karen, a waitress in her twenties)

“No” [never thought of the connection] (Miles, a high end fashion stylist in his twenties)

Of all the thirteen consumers, only Miles stated that he had no desire to know about the connection between the producer of his coffee and himself, and his only interest was in drinking a “flavorful” (his words) coffee product.

On the other hand, there was one barista, out of the three baristas that I interviewed who clearly displayed the attributes of social capital (egocentric social network) in both her claims and behaviors toward Fair Trade certified coffee and other products.

When asked about the connection with the Global Southern producers, Lisa responds:

“Definitely [I do know of the connection between myself and the global coffee producers] ... that’s why I choose Fair Trade. I know that I do want them to be able to have a good quality of life and I don’t want to drink coffee made by sad farmers, so I want to make sure that ...they’re not exploited and they’re not taken advantage of in any way.”

Ultimately, it is not surprising that consumer consciousness of FT coffee is weak among my interviewees, once one considers the near-absence of networks on Long Island that might promote such consciousness.

## **B. Networks**

*Fair Trade Towns* is a campaign by which consumers can be assured the products they are purchasing were produced under healthy working conditions at a fair wage. It promotes community-wide networks in which knowing about FT, valuing FT, and actually purchasing FT products are facilitated through the sharing of knowledge and sentiment across a larger populace, opening up FT markets among people who can and will pay a fair price for products such as FT coffee (Smith 2013). As one example, Chicago declared in 2010 that it was one step closer to becoming the largest Fair Trade Town in North America (Escobar 2010).

But unlike centralized cities such as Chicago or Pasadena where Fair Trade Towns exist



or are emerging, there is no one organized community-wide effort in my research site of Long Island in which people and organizations use their everyday choices to increase the sale of Fair Trade products. Nor are there, so far as I was able to determine from queries to my interviewees or from my personal familiarity with the area, any FT-related or ethical consumption-related movement or advocacy groups on Long Island that might promote consumer awareness of and concern with fair trade, much less interact directly with FT coffee co-ops in the global South.

Long Island, a suburb of New York City, is best understood as names on the stops of the Long Island Railroad. There is even a name for the commuters on the Long Island Railroad, “dashing Dans.” These daily commuters work in New York City which is 1-2 hour commuter for the majority of these “dashing Dans and Danies.” In essence, the ability of FT supporters to promote FT to a large population on Long Island is limited because the distances between towns and localities impede networking. This, in turn, impedes the creation of widely-visible models dedicated to creating and expanding a model of trade, based on transparency, equality, human dignity, and building long-term relationships with small-scale coffee growers (Just Coffee 2011).

It is important for me to note that it is not that FT-related networks are totally absent among coffee sellers in Long Island, but rather that these networks are weak, sometimes being related to Fair Trade mainly in that they consist of communication that questions Fair Trade’s value. There is some organized network among people in the business of selling coffee and FT coffee, as when a seller got advice from someone already in the business (though perhaps this was limited to advice NOT to go the FT route).

On the most part, Long Island roasters and retailers were not aware of what other sellers in the area are doing (e.g., using an FT symbol to sell coffee but not actually being licensed).

Some sellers in the supply chain have (or have had) ties to “enzyme” promoters like Fair Trade USA in the sense that they have arranged and paid for certification with them. These, too, were something that one or more such interviewees viewed rather negatively (e.g., charging a lot for certification, which partly went to perceived high salaries for certification organization employees).

Some sellers in the supply chain have actual relationships with coffee producers in the global South, as the one that travelled to South America (that WAS an ACTUAL network). Tom's “native American motto promoting a native to native exchange” is merely a matter of holding a common native identity with producers rather than any actual contact/direct interaction between Tom and producers, which wouldn't constitute a network, although it reflects Tom's consciousness of common identity with producers.

In the end, Long Island's coffee sellers tend to seem, at best, half-hearted advocates of FT coffee. Unsurprisingly, they have not effectively promoted a consciousness of FT among their retail customers, nor have those retail customers visibly networked with other consumers to support FT. But, building a network among roasters who could promote fair trade (i.e., the fact of there being little social capital and little support for fair trade actually fits the pattern I anticipated that the presence of social capital would facilitate embracing fair trade) would be an example of a FT-social capital connection. One way of understanding the minimal presence of FT-promoting networks in Long Island is to consider mechanisms of social capital through which such networks might operate. Elements of FT-promoting social capital were apparent, yet quite limited, among some of my interviewees.

### **C. Social Capital**

The small amount of Social capital that was apparent among roasters, baristas, and consumers lacks the potential to substantially promote Fair Trade consciousness among consumers in their communities.

Most individuals I interviewed on Long Island showed little understanding of a coffee supply chain, in which the ethical consumer can place themselves in a more nearly equal economic relationship with the producer. The attributes of social capital are clearly lacking in most of the small sample of consumers, businesses, and baristas I interviewed on Long Island.

On the whole, the Long Island consumers I interviewed may, as a category, be engaging in a more isolated, less movement oriented lifestyle, with a complex set of attitudes, behaviors, motivations, and buying habits which may or may not reflect their discourse (Harrison, Newholm, and Shaw 2005).

The two consumers I have identified as Ira and Nancy, and the two baristas Frank and Lisa do network with other progressive individuals and belong to progressive organized groups, but they are not part of Fair Trade activist groups linked to the larger organized fair trade movement, which may be more involved in redefining the conventional neoliberal free trade agenda. They do understand the connection between their purchasing of a Fair Trade product and its impact on the quality of life of the producers of that product. Ira, Nancy and Lisa have demonstrated that they are advocates of Fair Trade goods. They support marketing of global

social responsibility and world citizenship to consumers who make conscious purchasing decisions that will affect the economic sustainability of Global Southern producers (Linton, Chiayuan, and Shaw 2004).

In my final interpretation I could not clearly define Ira, Lisa and Nancy as ethical consumers according to my definitions of social capital, though they were very cognizant of the relationship between themselves and the coffee producers. They did display a desire to buy fair trade products and give them as gifts to their family and friends. But, I could not clearly state that there were differences in their purchasing decisions of Fair Trade products as was indicated in the Besnard, et al study. Besnard, D'Alessio, and Maietta (2006), in their study of Fair Trade consumers in two Italian cities, found a difference in their buying patterns. After an extensive analysis they concluded that the consumers in the two Italian cities were not homogeneous in terms of their motivations in the purchase of Fair Trade products, even if the products were considered a niche segment. They posited that the differences could be explained by higher social capital in one city and not the other. Their findings concluded that the differences could be explained by higher ethical consciousness of the ethical consumers in one town and not the other. Social capital and socially responsible consumption interact and are mutually influenced: "One may suppose that socially responsible consumption is more widespread in those communities with higher endowment of social capital [which] may contribute to its reproduction... consumption can become an instrument of social capital reproduction" (Besnard, D'Alessio, and Maietta 2006). The framework in which this study is embedded may be defined by a social capital concept whose attributes can be seen to produce a higher endowment and possible reproduction of social capital ((Besnard, D'Alessio, and Maietta 2006). The Fair Trade advocates

may share social standards and values, interpersonal relationships, and active and passive voluntary activities.

There are possible connections between a fair trade orientation and living in either a college town (similar to where I completed my coursework) and or a smaller community in the eastern end of Long Island (see Lisa, a barista, in her twenties whom I classified as an ethical consumer because of her actions involving FT products). Either a smaller, tight knit community similar to the Italian cities Besnard, et al discussed in their article, or a college town I posit would tend to have greater knowledge just because of being around more highly educated people, and could possibly link certain aspects of social class with education and disposable income.

Further research may yield a better comparison of Long Island participants with a college town population or a part of New York City which has a smaller downtown community and fair trade coffee shops advertising fair trade coffee specifically.

### III. Further Research

Finally, this study has led me to a new and important research question that future research might address: how does the process of active participation in a FT-related social movement enable a coffee consumer to become more conscious of their connection to Global South's coffee producers? To explore this link further, an analysis of interviewees with a sample restricted to such movement participants – perhaps in a larger city – would be needed.

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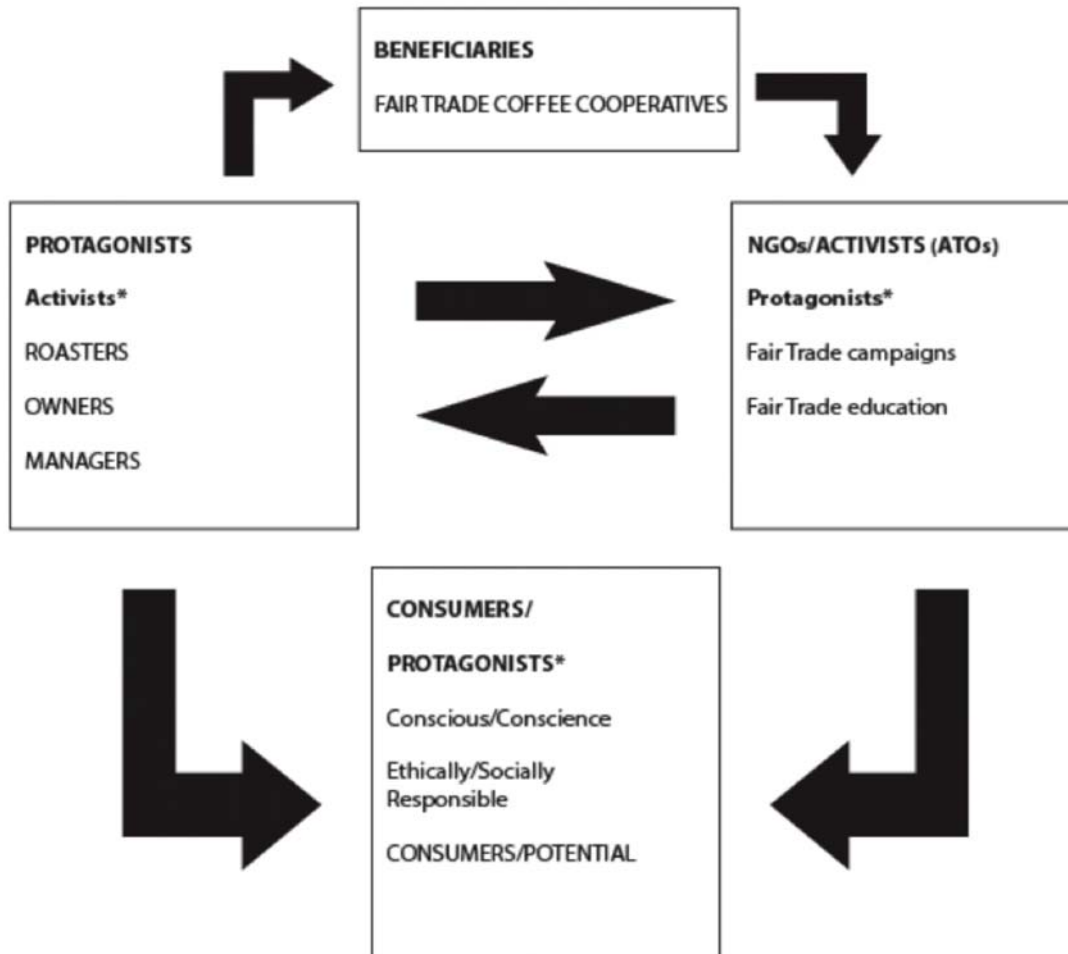
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*APPENDIX A: Fair Trade Network Actors*

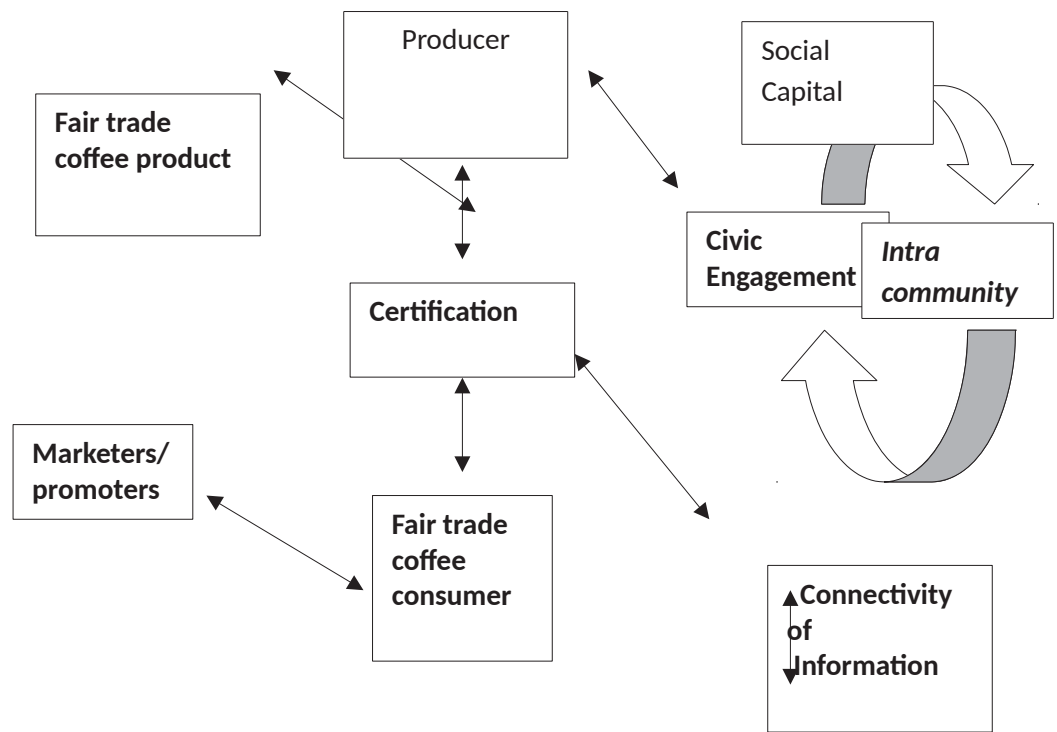


\* Protagonists within commodity chain

\*\* "enzymes" those not within the chain but catalysts in support of chain (Wimberley, 10/27/11)

\*\*\* Terminology from Dale Wimberley slides 10/2010

*APPENDIX B: Information flows: strengthening networks in social capital concept*



*Appendix C: Additional Interview Questions not listed in Methodology Section*

**ETHICAL CONSUMPTION QUESTIONS**

**A. Consciousness of Northern consumers**

1. Who does most of the shopping in your household? C 1/2
2. When you do go shopping do you go alone? C 1/2
3. What are the considerations you make when deciding to purchase coffee? C 1/2

**B. Social Capital (the majority of questions pertaining to social capital are found in my methodology section, Chapter 4)**

4. Have you ever been a member of a coffee cooperative in the United States? A, B, C2
5. What do you think about unions? A, B, C 2

**C. Fair Trade**

6. Do you ever think about where the coffee you buy comes from? C 1/ 2
7. Do you ever think about the people who produced the coffee you buy? C 1/ 2
8. How often do you shop at XX\_\_\_\_\_? (Coffee shop I am interviewing in) C 1/ 2
9. Why do you shop at XX\_\_\_\_\_? C 1/ 2

**During the interview process, I will be taking notes on the consumer, his/her body language, and distance as he/she responds to my questions I will ask myself:**

How did the person respond? C 1/ 2

**(Questions from Brown, many reformatted, in an email to me Nov. 2011)**

***Appendix D. Categories identifying Fair Trade coffee consumers, sellers, and promoters within a social capital model:***

<i>Dimensions</i>	<i>CONSUMERS:</i> Purchasers of coffee (not aware of Fair Trade connections)	<i>CONSUMERS:</i> Potential Protagonists: Noncommitted Bystanders	<i>CONSUMERS:</i> Protagonists: Ethical/ Socially Responsible Conscious/ Conscience	<i>SELLERS</i>	<i>PROMOTERS:</i> <i>Non-supply chain</i>
<i>Degree of Social Capital</i>	Minimum social capital	Elementary Social Capital	Substantial Social Capital	Maximum Social Capital	Maximum Social Capital
<i>Values</i>	Minimal interest in others welfare; may seek self-interest at others expense	Cooperation occurs to the extent that it serves one's own advantage	Commitment to common enterprises: cooperation to a greater extent when it is beneficial also to others	Concern for public good  Altruistic for the common "cause"	Concern for public good  Altruistic for the common "cause"
<i>Strategy</i>	autonomous	Tactical cooperation	Strategic cooperation	Merger or submerger of individual interests	Merger or submerger of individual interests
<i>Mutual Benefits</i>	Do not consider mutual benefits	May consider mutual benefits at times when they are	Consider mutual benefits	Self-sacrifice-how far does this	

		approached		go?	
<i>Options</i>	Exit situation whenever dissatisfied	Try to improve terms of exchange	Try to improve overall productivity	Loyalty; acceptance of results if good for all in total	Loyalty; acceptance of results if good for all in total

(adapted from Uphoff 2000)

## ***Appendix E. IRB PROPOSAL AND APPROVAL LETTER***

### **IRB PROPOSAL:**

#### **Letter of Consent to Participate**

#### ETHICAL CONSUMPTION

Investigator: Eleanor Smith

#### ***I. Purpose of Research Project***

To investigate how and why consumers are motivated to buy/consume Fair Trade coffee. Consumers are increasingly concerned about where the coffee they buy/consume come from and how the coffee producers in developing countries benefit from their purchase of this product. My research seeks to understand these specific consumers who buy socially responsible products and how they have been connected to this alternative market arena of Fair Trade. The results of this research will fulfill my dissertation requirements.

#### ***II. Procedures***

This study will use personal interviews to collect data on consumers' experiences and preferences. Audio recordings of the interviews will be collected to ensure that as much information is accurately gathered as possible. They will be optional and not necessary for participation in the study. The length of participation for individuals will be no more than one (1) hour of their time. Eleanor Smith will conduct processing of data on campus.

#### ***III. Risks***

There is no more than minimum risks for them to discuss their personal consumption habits. All interviews are voluntary and participants will have the option of skipping any questions they do not wish to answer.

#### ***IV. Benefits***

This project has the potential to add to the literature on ethical and political consumerism and the Fair Trade alternative coffee market. The results of my study will be available and open to other PhD. Candidates as well as to those interested in exploring the future of Fair Trade coffee. No promise or guarantees of benefits have been made to you to encourage you to participate in this study.



***V. Extent of Anonymity and Confidentiality***

I understand that confidentiality is essential and will be strictly maintained.

Names or any other information that could be used to identify participants will be kept confidential and will not be released in any form. Any information given during this interview will be stored in a secure location, in a locked office at VT. It is possible that the Institutional Review Board (IRB) may view this study's collected data for auditing purposes. The IRB at Virginia Tech is responsible for the oversight of the protection of Virginia Tech Institutional Review Board: Project No. 09-1050

Approved October 13, 2011 to October 12, 2012

Human subjects involved in research. The data for this study will be kept in a secured and locked location for three years; after which the data will be destroyed.

***VI. Compensation***

Participants in this study will not be compensated.

***VII. Freedom to Withdraw***

I understand that at any point I am free to withdraw from the study or to skip or not answer any questions during the study.

***VIII. Subject's Responsibilities***

By signing this agreement, I agree to cooperate with this research study and agree with the statement: "I voluntarily agree to participate in this study."

***IX. Subject's Permission***

I have read the Consent Form and conditions of this project. I have had all my questions answered. I hereby acknowledge the above and give my voluntary consent:

---

***Signature of Participant Date***

In addition to the above I hereby acknowledge and give my voluntary consent to the audio recording of this interview:

---

***Signature of Participant Date***

Should I have any pertinent questions about this research or its conduct, research subjects' rights, and whom to contact, I may contact:

Eleanor Smith	David M. Moore
Doctoral Candidate	Chair, Virginia Tech Institutional Review
Department of Sociology	Board for the Protection of Human Subjects
560 Mc Bryde Hall (0137)	2000 Kraft Drive, Suite 2000 (0497)
Blacksburg, VA 24061	Blacksburg, VA 24060
<a href="mailto:essmith@vt.edu">essmith@vt.edu</a>	<a href="mailto:moored@vt.edu">moored@vt.edu</a>

**Office of Research Compliance**

Institutional Review Board

2000 Kraft Drive, Suite 2000 (0497)

Blacksburg, Virginia 24060

540/231-4606 Fax 540/231-0959

e-mail [irb@vt.edu](mailto:irb@vt.edu)

**Website:** [www.irb.vt.edu](http://www.irb.vt.edu)

MEMORANDUM

**DATE:** October 13, 2011

**TO:** Dale W. Wimberley, Eleanor Smith

**FROM:** Virginia Tech Institutional Review Board (FWA00000572, expires May 31, 2014)

**PROTOCOL TITLE:** Globally Included, Locally Excluded: The Role of Fair-Trade Coffee Production in Addressing the Economic and Gender Inequalities in Nicaragua

***IRB NUMBER: 09-1050***

Effective October 13, 2011, the Virginia Tech IRB Administrator, Carmen T. Green, approved the new protocol for the above-mentioned research protocol.

This approval provides permission to begin the human subject activities outlined in the IRB-approved protocol and supporting documents.

Plans to deviate from the approved protocol and/or supporting documents must be submitted to the IRB as an amendment request and approved by the IRB prior to the implementation of any changes, regardless of how minor, except where necessary to eliminate apparent immediate hazards to the subjects. Report promptly to the IRB any injuries or other unanticipated or adverse events involving risks or harms to human research subjects or others.

All investigators (listed above) are required to comply with the researcher requirements outlined at <http://www.irb.vt.edu/pages/responsibilities.htm> (please review before the commencement of your research).

***PROTOCOL INFORMATION:***

**Approved as: Expedited, under 45 CFR 46.110 category(ies) 6, 7**

**Protocol Approval Date: 10/13/2011**

**Protocol Expiration Date: 10/12/2012**

**Continuing Review Due Date\*: 9/28/2012**

\*Date a Continuing Review application is due to the IRB office if human subject activities covered under this protocol, including data analysis, are to continue beyond the Protocol Expiration Date.

Virginia Tech Institutional Review Board: Project No. 09-1050

Approved October 13, 2011 to October 12, 2012

Protocol extended to September 28, 2015, per Virginia Tech Institutional Review Board letter of September 24, 2014.

**APPENDIX F: SUSTAINABLE COFFEE CHART**

There are several "sustainable" certification labels that appear on coffee. I love coffee, but what do all those environmental coffee labels mean? Is one certification better than the other? When choosing coffee that is reported to be more sustainable than conventional coffee, what should we pay attention to?

<b>Requirements/ Characteristics</b>	<b>USADA Organic Certification</b>	<b>Fairtrade Certification</b>	<b>Rainforest Alliance Certification</b>	<b>Starbucks C.A.F.E. Practices</b>
<b>Certified plantations</b>	>			>
<b>Certified procedures/standards</b>	>	>	>	>
<b>Certification agency</b>	>	>		>
<b>Shade grown/sun Organic only</b>	>			
<b>Shade grown only</b>			>	
<b>Individual farmers</b>	>			>
<b>Cooperative/association only</b>		>		

(Adapted from (Hostetler 2012) (accessed July 21, 2012).

Images of certified Fair Trade coffees were shown to each participant in my study. When asked how many labels can be identified, of the twenty responses, 2 recognized all Fair Trade labels.

***APPENDIX G: JUAN VALDEZ AND FAIR TRADE LOGO POSTERS***



Photo: Author.

## ***APPENDIX H: FWP'S STATEMENT ON FAIR TRADE USA'S RESIGNATION FROM FAIRTRADE INTERNATIONAL (FLO)***

Author: Fair World Project

October 3, 2011

FWP's Statement on Fair Trade USA's Resignation from Fairtrade International (FLO)

Fair Trade is a social movement and market model that aims to empower small-scale farmers and consumers in underdeveloped countries to create an alternative trading system that supports equitable trading, sustainable development and long-term trading relationships. Fair Trade supports fair prices and wages for producers, safe working conditions, investment in community development projects, and the elimination of child labor, workplace discrimination and exploitation.

Certified Fair Trade products now represent a multi-billion dollar industry with over 10,000 products in the marketplace. Consumer demand for Fair Trade products has steadily risen over the course of the last decade thanks to the tireless work of dedicated advocates, fully committed companies, and students.

On September 15<sup>th</sup>, Fairtrade International (FLO) and Fair Trade USA (FTUSA) jointly announced that [FTUSA is resigning its membership in FLO](#), effective December 31, 2011. FTUSA's resignation from the FLO system is partially due to its new initiative, "Fair Trade For All" (<http://fairtradeforall.com/>) which it claims will "double the impact" of Fair Trade by 2015.

In an [open letter](#), Rob Cameron, CEO of Fairtrade International, wrote: "I, the staff at Fairtrade International, and the entire global Fairtrade network sincerely regret FTUSA's decision to pursue its own approach, rather than continue working within the global system. It is a decision they have taken themselves, and we have to respect their choice."

Fair Trade USA's move raises many questions for Fair Trade producers in the Global South. Many producers rely heavily on the US market for sales and distribution. FTUSA's rash exit from the FLO system will most certainly cause chaos in the near-term as FTUSA has failed to publish its own standards or details regarding its new labeling scheme. In the long run, everything from consumer apathy to competing labels that make similar claims will undermine the Fair Trade market and the overall positive impact for producers.

At its core, "Fair Trade For All" is FTUSA's unilateral decision to initiate certification of Fair Trade coffee on plantation and hired labor operations. FTUSA intends to open other

commodities, like cocoa, to plantation and hired labor for certification as well. Fair Trade was established on the values of supporting small-scale, disenfranchised farming communities, most often organized in democratic cooperatives. Despite claims to the contrary, hundreds of thousands of small producers organized in cooperatives still lack access to Fair Trade markets. To continue to make progress and expand the benefits of Fair Trade, these producers must be given priority and support when considering further expansion of the Fair Trade system. Without strict standards and implementation, the expansion of Fair Trade to include plantations in coffee and other sectors will most certainly [erode standards and dilute Fair Trade's impact](#).

While it is true that farmer and worker advocates are deeply concerned with the plight of farmworkers and other hired laborers in the Global South, it is not conclusive that the current Fair Trade system is the best antidote for their situation. Fair Trade's record as it relates to hired labor operations, like [tea](#) and [bananas](#) has been anything but successful. In fact, the literature suggests that Fair Trade certification often undermines national labor laws and the union presence that brings more benefits to plantation workers than Fair Trade.

FTUSA's decision has drawn the widespread condemnation of [Fair Trade producer networks](#), including the Network of Asian Producers (NAP), [Latin American and Caribbean Network of Small Fair Trade Producers \(CLAC\)](#) and Fairtrade Africa. It is inconceivable that an organization whose organizational values include striving "to always act ethically and we value relationships built on honesty, mutual respect and trust" would advance a program without the knowledge or consent of the very producers it aims to support.

FTUSA's move away from FLO comes on the heels of the organization's controversial name change. In fall of 2010, FTUSA changed their name from TransFair USA, eliciting a significant uproar from within the FT community, with over 10k concerned consumers, advocates, and FT organizations sending letters to FTUSA expressing their concern about what many saw as an effort to monopolize the FT [market and movement in the United States](#).

In January 2011, the Organic Consumers Association (OCA) filed a [complaint to the Federal Trade Commission \(FTC\)](#), charging that FTUSA authorized the misleading and deceptive labeling and advertising of the "Mark" brand products as "Fair Trade Certified" when, in fact, the products so labeled contain a minimal amount of Fair Trade certified ingredients. Over 8k people have signed letters in support of OCA's complaint. OCA is awaiting the pending decision from the FTC.

FTUSA has repeatedly failed to apply FLO standards. Case in point is FLO's commercial availability standard 2.2. *Various brands and products lines* which states that "Food composite ingredients must contain as many [FLO Fair Trade] certified ingredients as available." (<http://www.fairtrade.net/standards.0.html>). Dozens of products in the marketplace, ranging

from Honest Tea to Sunspire Organic Cocoa Chips, have failed to source Fair Trade ingredients, yet continue to display the FTUSA Fair Trade seal. This dilution of the standards undermines consumer confidence in Fair Trade and denies producers the full benefit of a Fair Trade market.

Finally, FTUSA has a poor track record of responsibly engaging stakeholders on new initiatives. For example, FTUSA's textile and apparel multi-stakeholder process was contentious and divisive, not to mention a missed opportunity to create common cause and alliances with trade unions and labor advocates. For more information on this process, see the open "[Letter to Transfair USA regarding Fair Trade Garments Pilot Project](#)" signed by International Labor Rights Forum, SweatFree Communities, Presbyterian Hunger Project, STITCH, Workers United (an affiliate of SEIU), New York Labor Religion Coalition and the Organic Consumers Association.

### **The future of Fair Trade in the United States and beyond**

Fair Trade is at a critical crossroads. Despite the incredible potential in the United States to support ethical and fair companies and initiatives, the market is overrun with hundreds of social, ethical, green, and sustainable labels and certifiers, many with questionable ethics and standards. For consumers to maintain confidence in FTUSA and its certification program, FTUSA must actively and in good faith be accountable to producers and civil society at large.

#### **FWP calls upon Fair Trade USA to do the following:**

- 1) Suspend plans for certifying plantations and other hired labor operations in coffee and other commodities.
- 2) Promptly publish its new Fair Trade standards with clear mechanisms for accountable stakeholder review and engagement.
- 3) Open its Board of Directors to broad participation from members of producer networks, Fair Trade advocates, and students.
- 4) Commit to full transparency and traceability.
- 5) Create an ethical labeling scheme that clearly identifies percentage of FT ingredients on packaging and whether the product contains ingredients from plantations or estates.
- 6) Actively cooperate with FLO, IMO and other reputable certifiers to establish a "high bar" standard for Fair Trade certification.

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## ***APPENDIX I: TESTIMONIAL FOR EQUAL EXCHANGE***

<http://equalexchange.coop/fair-trade>

### **PRODECOOP**



Location:

Nicaragua

**Name:** Central de Cooperativas de Servicios Múltiples PRODECOOP

**Location:** Estelí and Palacagüina, Nicaragua

**Number of Producers:** 986

**Founded:** 1993

**Certifications:** Organic, Fair Trade, SPP



**Interesting Fact:** PRODECOOP is a secondary level co-operative. The secondary level co-operative is responsible for milling the coffee, preparing it for export, and handling the export logistics of the coffee. It is made up of primary co-operatives of farmers who grow coffee and then supply it to PRODECOOP to be commercialized. The president of one of the primary co-operatives, Cooperativa José Alfredo Zeledón, described the importance of the co-operative supply chain in this way: “Only organized as we are with PRODECOOP can we face the challenges today. Knowing the price we will receive and having an assured market are great helps to us as farmers.”



**Last Visit:** Green Coffee Buyer Carly Kadlec visited PRODECOOP in October 2013 and went out to the field to visit farms and see how coffee leaf rust was impacting farmers at the primary co-operative level. Carly also spent time at the mill in Palacagüina and cupped coffees with the quality control team.

**Full Profile:**

Some roasters boast about bouncing around the world buying the best beans they can find for a one-time purchase. At Equal Exchange, we can boast we have been trading fairly with the same democratically organized farmers for a quarter century. The relationship between Equal

Exchange and the farmers in northern Nicaragua has survived war, embargo, revolution, counter-revolution, and epic hurricanes. We supported the farmer members of PRODECOOP from a time before there was USDA Organic, before Fair Trade certification, before cell phones existed.

PRODECOOP is a second-level co-operative organization that brings together 38 village-level co-operatives comprised of about 1,000 small farmers, 30 percent of whom are women. Growers and producers are located in different communities and coffee areas of the departments of Esteli, Madriz and Nueva Segovia in northern Nicaragua.

The co-operative provides services such as marketing, agricultural extension services, training, credit, capacity building of co-operatives, coffee quality programs, and social development projects. Continuous education of members to expand each member's ability to be a strong farmer and a leader in her or his co-op and community is a hallmark of PRODECOOP's wonderful history.

PRODECOOP is a leader in the international Fair Trade movement. All of their coffee is sold into the Fair Trade market. Equal Exchange purchased members' coffee through the state-owned export agency from 1986 through 1991. Since 1992, PRODECOOP has exported directly to the international market and currently has 18 clients in Europe, the United States, and Japan. In an average year they export 30,000 150-lb bags of green coffee, of which 50 percent of the total volume is organic.

PRODECOOP stands for the Central Cooperative of Multiple Services and its mission is to improve the quality of life of small producers and their families in the Segovias Region of Nicaragua by:

- providing quality production, processing and marketing services for farmer members' coffee, honey and other organic and nonorganic products; advancing cooperative principles through Fair Trade, gender equity programs, climate change adaptation strategies, and food security and sovereignty efforts to create a truly democratic organization; and educating members in all areas of farm and agricultural management including financial, technical, material, and social change issues.

SPECIFIC OBJECTIVES for 2012-2015:

- Promote and encourage the development of self-management capabilities of co-operatives and the base of associated rural families.
- Promote cooperative education and the development of relations of brotherhood, cooperation, exchange and solidarity between the partners and between them and other actors and socio-economic sectors of the environment.
- Promote effective integration of member co-operatives to strengthen the cooperative movement, nationally, regionally and internationally.
- Contribute to improving gender equality and equity and socio-economic position of women.

- Improve the income and therefore socio-economic development of families clustered in associated primary co-operatives.

Develop economic capacities, production and business to improve the income of members

<http://equalexchange.coop/fair-trade>