Introduction

Until the lions have their historians, tales of hunting will always glorify the hunter.

(African Proverb)

For a long time, the history of power has told of an all-powerful sovereign state and its legitimate exercise of force over a passive citizenry. While social scientists’ more modern translations maintain the hunter’s perspective, the ‘hunter’ is now the global corporation. In this narrative, citizens, producers and consumers worldwide play the perennial ‘lion’; they are mere pawns in a chess game between corporate giants.

So something is amiss. Since 1997 a community of 46,000 small-scale cocoa farmers in Ghana has co-built and produced high-quality cocoa for the increasingly successful chocolate brand Divine Chocolate Ltd in the UK (and now US) market, in which they hold directorship responsibilities and own 45 per cent of the shares. Aside from their dividends, the farmers receive above-market prices for the cocoa they produce plus a social premium for community development needs and business capacity-building. Divine’s trading arm, located in the UK and now the USA, invests increasing amounts in technical assistance, using the business process as a vehicle for development and market demonstration of how ‘fair’ business can be; Divine operates in a broader context in which 14 million atomised and exploited cocoa producers fiercely compete in the global cocoa industry for declining prices from a handful of global brand multinationals including Nestlé, M&M/Mars and Cadbury.

Another case is the farmer-owned fruit company, AgroFair, which sells bananas (and other fruits) under the Oké label across Europe. Competing successfully in a corporatised market, AgroFair’s small-scale fruit farmers hold 50 per cent of its shares and receive 50 per cent of profits, in addition to further systematic funding for community and business development. The farmers also make decisions over an increasing number of AgroFair’s international operations – including traditional ‘Northern’ competences such as marketing. Situated among behemoth rivals including Chiquita, Dole and Del Monte, AgroFair has reversed the Northern-oriented oligopolistic ownership structures common to the global banana industry in favour of the small producer.
Divine Chocolate Ltd and AgroFair are two ‘fair trade’ companies that do not conform to the kind of power most social science is suited to explain. This book seeks to show how these unconventional models of market power relationships – that confer power on the weakest market actors – and the movement for fair trade that promotes them have been possible and successful. To do so, the book tells two stories. One is about fair trade – the evolution of the global movement responsible for unique and progressive companies such as Divine Chocolate Ltd and AgroFair, and the product certification system that offers ‘mainstream’ consumers (mainly food) products made under ‘Fairtrade’ conditions. Flowing from this is a story about power – an evolving concept within the social sciences which in both its more traditional and modern interpretations has largely neglected the capacity for, and complexity of, social agency.

THEORIES OF POWER

Early theorists such as Hobbes (1991) and Weber (1978) viewed power in terms of the state’s monopoly on the legitimate use of force. Power was conceived as an instrument of coercion and domination that enabled the state to execute its will irrespective of resistance. In the last several decades, however, the world has changed remarkably. Many actors, state and non-state, influence the process of governance, and rarely by means of force or coercion (Braithwaite and Drahos, 2000). In fact, the workings of power are rarely overtly identifiable; power rears its head in contexts other than in win–lose bargaining at the decision-making table, and even there, in ways not often assumed. Rather than ‘visible’, power can be ‘hidden’, even ‘invisible’: who speaks and who is silent, who is present and who is absent, who defines and who is defined, whose interests count and who does the counting – all these are matters of power. For Foucault, this is the power of discourse: internalisation of knowledge regimes reproduces social structures. While he believed in the productive – and thus emancipatory – potential of discourse power, Foucault was preoccupied with the overwhelming influence of knowledge regimes and neglected the theoretical development of agency. In fact, in a Foucauldian reading, the ‘empowerment’ of disfranchised groups serves to expand liberal Western capitalism rather than advance genuine social and economic justice.

A number of scholars have pursued this latter, incipient intellectual agenda of a ‘post-liberal’ power and form of agency. In this context, power reflects principles of cooperation, deliberation and critical awareness rather than liberal principles of competition, bargaining and individualism. The traditional dichotomy between domination and resistance is also
dissolved to capture greater complexity and ‘situated’-ness in expressions of agency than is commonly reflected in theory (Bevir and Rhodes, 2005; Nygren, 1999). For instance, in recent work on ‘defiance’ (Braithwaite, 2009), ‘resistance’ is but one of a number of ways that different individuals and social groups attempt to overcome institutional and structural constraints in their lives. ‘Game-playing’ is another type of defiance of authority structures (which is arguably capable of social transformation). Through an investigation of the fair trade movement’s attempts to realise social justice in global post-industrial/post-Fordist markets (particularly agriculture), this book examines the complex space of agency, integrating the concept of (post-liberal) power to articulate the micro-processes by which weak actors bring about change in the structures and institutions of global markets. As can be discovered through the story of fair trade, the answer lies in the power(s) and strategies of ‘game-playing’ – the subject of this book.

POWER IN MODERN MARKETS . . .

In the shift from an industrial to a post-industrial economy (Toffler, 1980; Drucker, 1969; Bell, 1978), the hegemony of the state has shifted to the hegemony of global corporations. In recent decades this power base has expanded Northern firms’ power over world markets through the consolidation of an international ‘free’ trade regime and rise of global ‘commodity’/‘value’ chains of production. The basis of corporate power in this context is the brand – an image of the trade mark (an abstract object). Trade marks are a form of intellectual property that have strengthened in the last 50 years in unprecedented – and global – proportions. Trade mark ownership enables established brand owners to heavily influence consumer subjectivities, and, through this mind-control, confers on them oligopolistic market power over the terms and conditions of international production and trade with developing-country producers.

. . . AND THE POWER OF FAIR TRADE

In this context the fair trade movement has sought to reshape relations of power in markets in favour of the weakest actors: small-scale developing-country producers clustered in the production of agricultural commodities. Based on alternative trading links between small producers and politically active ‘Alternative Trade Organisations’ (ATOs) in Northern markets, the movement has articulated principles that both address
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market failures affecting marginalised producers’ ability to participate in markets, and construct terms and conditions of international trade that serve producers’ economic and developmental interests. These principles include stable commodity prices, direct purchasing from, and long-term trading partnerships with, democratically organised producer organisations, and a social premium for investment in social development projects, producer capacity-building and technical assistance. The fair trade movement has promoted this alternative discourse within ‘mainstream’ production and trade routes over the last two decades via a system of product certification and labelling for products made under the above-mentioned ‘Fairtrade’ conditions, as well as more recent experiments in commercial ATO ‘brand’ companies. The movement’s rapid ‘mainstream’ market growth – powered by a consumer movement that in 2006 spent US$1.6 billion on labelled and non-labelled fair trade goods – has nevertheless provoked numerous political tensions and challenges for the movement that pivot on a perception (and very real empirical concern) about fair trade’s market absorption.

OUTLINE OF THE BOOK

Through a rich, in-depth analysis of the fair trade movement, this book offers a new theory about power, one that synthesises, fills gaps in and extends the interdisciplinary contributions of other writings on the subject. The complex organisational development of fair trade makes for a dense yet grounded thesis about power and evolutionary change in markets. As a whole, the book promises to engage both those interested in fair trade and social movements that generally challenge modern global market processes, and those interested in theories of power and social change.

Chapter 1 provides the theoretical framework for examining power. It charts the development of thought from power as domination (‘power over’) to a broader, more liberating and politicised notion as an individual and collective capacity (‘power with’, ‘power to’, ‘power within’). Chapter 2 demonstrates the operation of ‘power over’ in the corporatised landscape of global commodity markets, specifically the global coffee market. For the benefit of those unfamiliar with fair trade, Chapter 3 provides a brief sketch of the fair trade movement. Chapters 4–7 then bring this movement to life through the voices of its practitioners – its organisational development, market growth and political and institutional challenges. These chapters aid the development of an inductive understanding of how alternative discourses evolve in the process of economic change and the role of different social movement actors in the evolutionary process.
Chapter 4 documents how the ‘grassroots’ movement has achieved expansion of fair trade markets, providing insight into how atomised actors within global market structures collectively trigger large-scale market outcomes. Chapter 5 explores the fair trade actors seeking to institutionalise Fairtrade-certified products – the Fairtrade Labelling Organizations International (FLO) and its Labelling Initiatives (LIs) – and the particular organisational structures they have evolved. This account enables an analysis of power in the context of resistance and the risks this unique evolutionary trajectory poses to a movement’s ultimate survival. Chapter 6 then turns to consider several of fair trade’s pioneers’ strategic response to corporate capture: (re-)innovations in radical commercial fair trade businesses. This illuminates how the evolutionary strategy of ‘game-playing’ (re-)liberates alternative discourses (such as fair trade) from corporate hegemonic absorption. Chapter 7 considers the evolution of the movement’s two governing institutions, FLO and the International Fair Trade Association (IFAT), and the challenges to cooperation and coordination that the two dynamics – of resistance and game-playing – pose for the movement’s overall survival. This story enables the elucidation of how game-players ensure institutional survival and effectiveness in a hostile market environment. The Conclusion draws this story of the emergence and evolution of fair trade to a close and outlines the elements of a theory about the power of ‘weak’ actors.

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