

Issue: 3, 2002

---

Consumer Activism and Corporate Accountability

**AUTHOR(S):** Deborah James

### ABSTRACT

Global Exchange is a human rights organization dedicated to promoting economic, political, and social justice around the world. Founded in 1988, the organization has been increasing global awareness among US citizens and consumers while building international people-to-people ties. This article outlines the Fair Trade issues surrounding coffee and cocoa production. It provides consumers with strategies they can employ to improve the lives of those people in third world countries who work and live in appalling conditions to make cheap products available for consumption in the first world.

Please note that this article was peer reviewed but not double-blind reviewed.

### ARTICLE

---

"It's tough to be ethical consumers in this age of sweatshops - both at home and abroad. Fair Trade coffee offers one good way to know with confidence that the products you purchase are made in just working conditions. All of us must do more to support fair trade alternatives." Kim Bobo, National Interfaith Committee for Worker Justice.

Sip a steaming brew at a coffee shop, and you might associate coffee with prosperity. The image of carefree consumers enjoying \$4 lattes seems totally unrelated to that of coffee-bean farmers and workers, who live with grinding poverty, illiteracy, and a long legacy of economic colonialism. But the two groups are part of an intricately related system that has existed for centuries, leaving coffee harvesters destitute and coffee drinkers mostly unaware of the suffering that goes into making their beverage.

But a movement is growing among coffee consumers to demand justice for coffee workers and farmers. Consumer activists have been putting grassroots pressure on big coffee retailers to buy directly from cooperative farmers and pay them a price that represents a living wage. This movement demands that corporations not just makeover their images as socially responsible businesses while maintaining their laser-beam focus on shareholder profit, but that they are accountable to all their stakeholders - including consumers, citizens, and, most importantly, the people who produce the goods that generate their revenue.

The movement also encourages Americans to be as ethical in their behavior as consumers as they are in all aspects of their lives. But importantly, it demonstrates that when we act not only as consumers, but as citizens, we can become powerful enough to force large corporations to be accountable to basic principles of human rights and fairness. Because of the new movement, many coffee retailers have begun offering millions of consumers a choice: between coffee produced under sweatshop conditions, and a product based on principles of Fair Trade.

Indeed, Fair Trade is the name of the movement, and its time has come.

Coffee is the world's second most valuable market commodity after petroleum, and U.S. consumers drink one fourth of the beans traded in the global market. Coffee is a significant source of foreign exchange for many Latin American and African countries and has played a major role in the political histories of nations such as Mexico, Colombia, Guatemala, Brazil, Indonesia, and Rwanda. It was traditionally developed as a colonial cash crop, planted and harvested by serfs or wage laborers on large plantations, then exported to imperial countries.

In its natural, shaded habitat, coffee is a sustainable crop. In the mid-20th century, however, with the advent of the Green Revolution-an agribusiness-oriented scheme that pressed high technology on traditional farmers-varieties of high-yielding coffee were pursued. In the 1970s the United States Agency for International Development (USAID) gave over \$80 million to coffee plantations in Latin America to "modernize"-to strip coffee of shade trees and purchase chemical pesticides and fertilizers. This has led to severe environmental problems, such as contamination of air and water through pesticide poisoning. Deforestation has also become a major threat to migratory songbirds because of habitat destruction. Such outcomes have led to consumer demand for organic and shade grown coffees.

Farmers, many of them indigenous peoples, grow most of the world's coffee beans on plots of less than 10 acres. The prices they receive are often less than the costs of production, which pushes them into an endless cycle of poverty and debt. All over Latin America, farmers are forced to sell the future rights to their harvest to exploitative middlemen in exchange for the credit they need to pay for basic necessities. The world price is set on the New York "C market"-the section of Wall Street that deals in sugar, cocoa, and coffee. While severely volatile, the C market price for coffee hovered around \$1 per pound since the collapse of the International Coffee Agreement in 1989 through the end of the 1990s. Farmers in over 50 nations are hostage to this speculative market. They generally receive less than half the C market price, or between 30 and 50 cents a pound for coffee that retails for as much as \$10. That rate earns a family an average of only \$600 a year.

Coffee is also grown on large plantations worked by landless day laborers with low rates of unionization and extremely poor working conditions. A study in 2000 by the Guatemalan Commission for the Verification of Corporate Codes of Conduct found half the workers on plantations in that country earning less than \$3 per day for picking 100 pounds of coffee. Workers also were subject to forced overtime without compensation, and usually did not receive their legally-mandated benefits. Coffee workers are denied basic labor rights not just in Guatemala, but worldwide, and efforts to develop an industry-wide Code of Conduct are underway.

### **The Crisis**

Unfortunately, coffee prices have plummeted to all-time lows in the last two years and are currently less than \$.50 per pound, with no increase in sight. Until 1989, the International Coffee Agreement (ICA) helped stabilize prices by regulating world supply. The US worked to abolish the ICA in 1989 in favor of a "free market" in the coffee trade - knowing that importers' monopolistic control over the coffee trade would lead to lower prices for farmers in poor countries, and higher profits for multinationals. Many countries have since worked to expand their coffee exports to generate foreign revenues to help finance debt. The result is a worldwide coffee surplus that has led to a crash in market prices and huge profit growth for coffee companies at the expense of farmers around the world. "The drastic fall in coffee prices means, in two words, poverty and hunger for thousands of small producers in Latin America," says Merling Preza Ramos, director of PRODECOOP Fair Trade cooperative in Nicaragua.

The crisis is causing a combustible brew of impoverishment, social dislocation, migration, and increased drug cultivation. Tens of

thousands of Mexican coffee farmers have fled their fields in search of incomes to feed their families. According to the Associated Press, at least seven of the 14 men who died crossing the US/Mexico border in May of 2001 were coffee farmers from the Mexican state of Veracruz who were forced to leave their communities in search of higher wages in the US because they could no longer support their families. El Salvador recently acknowledged that over 30,000 jobs have been destroyed because of the price slump. Many of the 60,000 coffee producers in Nicaragua are facing losing their land because of mass indebtedness. Recent accounts reveal that farmers in traditionally coffee-growing areas in Colombia are uprooting coffee plants in favor of planting the more lucrative coca and opium poppies. Surely millions of Americans would be happy to pay a fair price for coffee if it meant less illegal drugs coming into the US. Why are US taxpayers forking over \$1.3 billion a year for anti-drug efforts in Colombia while accepting an economic policy that encourages increased cultivation? Farmers in all these countries have taken to the streets to demand government support for farmers on the brink of starvation. Political unrest is brewing.

In many countries the crisis has been exacerbated by "structural adjustment" programs imposed on local governments by the World Bank that have meant cuts in rural credit, technical assistance, health care, and educational infrastructures. In addition, trade liberalization has forced many countries to deregulate their coffee sectors, removing the state as a buffer between the farmers and the world market. According to the Washington Post, the collapse of world coffee prices is contributing to societal meltdowns affecting an estimated 125 million people. In countries such as Uganda and Burundi, which get 70 percent of their export earnings from coffee, the severe price drop has all but negated benefits from international debt relief. Even the World Bank recently acknowledged that approximately 500,000 people lost their jobs in Central America during the last crop cycle.

The head of the International Coffee Organization, Nestor Osorio, acknowledged that a crisis is facing the industry. Importantly, however, he has noted the huge disparity in the price of retail sales of coffee compared to what producers in Africa, Asia, and Latin America actually receive. In the early 1990s, retail sales were around \$30 billion, but have now more than doubled to \$65 billion. However, producers' share of coffee sales has fallen from \$12.5 billion to \$5.5 billion. This is because coffee companies have not lowered consumer prices but are pocketing the difference.

### **The Fair Trade Alternative**

Is a system that structurally impoverishes farmers and leaves consumers unwittingly contributing towards the exploitation of poor farmers the best the modern world can imagine? Fortunately, the answer is no.

The coffee crisis gives new urgency to efforts to promote the alternative--Fair Trade. Fair Trade offers a mechanism for small farmers to receive higher prices as an alternative to the "tyranny of the C market". To have their coffee certified as Fair Trade, importers must satisfy strict international criteria and submit to independent monitoring by TransFair USA, the certification agency based in Oakland, California. The most important requirement is a minimum price of \$1.26 per pound, paid directly to organized farmer cooperatives--not to middlemen. Fair Trade importers also must provide farmers with credit at fair terms and commit to long-term trade relationships.

The recipients of Fair Trade benefits are some 550,000 farmers organized into 300 cooperatives in 21 countries in Central and South America, Africa, and Asia. One such group, PRODECOOP, is based in Esteli, Nicaragua. It was founded in 1993 and boasts over 2,420 families. PRODECOOP has undertaken projects such as building schools and healthcare centers as well as training in production techniques and legal matters. From sales to the Fair Trade market, farmers earned \$600,000 over the regular market price for their coffee last year. The income is used to pay bank debt and thus avoid loss of land, to purchase the cooperative's own mill, and to increase the quality of the coffee.

"With world market prices as low as they are right now, we see that a lot of farmers cannot maintain their families and their land anymore. We need Fair Trade now more than ever," says Jerónimo Bollen, Director of Manos Campesinas, a Fair Trade coffee cooperative in Guatemala.

Another Fair Trade cooperative in Oaxaca, Mexico is the Union of Indigenous Communities of the Isthmus Region (UCIRI). Established in 1982, it has more than 5,000 families who farm roughly 15 acres each. UCIRI has helped create the region's only public bus line; a farm supply center; healthcare services; cooperative corn mills; an agricultural extension and training program; and the region's only secondary school. In contrast to the assumption that upping prices paid for cash crops might induce farmers to increase export dependence, experience has shown that farmers are more likely to use the additional incomes they gain from the Fair Trade market to invest in projects that increase food security.

"We are happy that Fair Trade Certified coffee is finally becoming available in the United States," said Jorge Cuevas, a manager of a Fair Trade cooperative in Oaxaca, Mexico. "It will mean so much for our communities and our families. A fair price means the difference between poverty and success."

## **Fair Trade History**

The idea of marketing fairly priced products from cooperatives is not entirely new, particularly for people who were sympathetic to Central America's revolutionary movements of the 1980s. At that time, solidarity activists and organizations, such as the Boston-based group Equal Exchange, were importing and selling small amounts of Nicaraguan coffee to support that country's Sandinista movement, and paying farmers fair prices. Their support made the difference in many cooperatives keeping rather than losing their land when the Sandinistas lost power in 1990. Equal Exchange is now the largest Fair Trade coffee importer in the US, purchasing 1.76 million pounds of green beans in 2001 and returning an unprecedented \$960,000 in Fair Trade over-market premiums directly to farmer cooperatives. Now other organizations like Peace Coffee, Cloudforest Initiatives, and Café Campesino are working to spread the message of the importance of 100% commitment to Fair Trade.

While coffee is the largest single product in the Fair Trade movement, it is not just about commodities. The Fair Trade Federation (FTF), the national association of Fair Trade retailers and wholesalers, boasts over a hundred business members that import or market crafts with the primary motive of supporting cooperative producers with fair prices. The FTF, and its sister organization the Fair Trade Resource Network, works to increase public awareness about Fair Trade and increase the sales of Fair Trade products in the US. FTF criteria include paying a fair wage in a local context; providing equal opportunities for all people, particularly the most disadvantaged; engaging in environmentally-sustainable practices; building long-term trading relationships; providing healthy and safe working conditions; and providing financial and technical assistance to workers whenever possible.

Many FTF members have roots in religious organizations as well, such as the Mennonite-initiated Ten Thousand Villages network of Fair Trade stores, and SERRV, originally a program of the Church of the Brethren, that sells Fair Trade products to a network of over 3000 inter-denominational churches across the country. Many religious organizations find that Fair Trade is consistent with an ethical approach to purchasing, and make a commitment to buy only Fair Trade gifts, clothing, jewelry, housewares, and other

items, because it respects the dignity inherent in the person producing what we purchase. These organizations had their roots in post-WWII Europe, helping to support refugees and war victims, and are now a major anchor in the Fair Trade movement.

Later, the emphasis shifted to sustainable development for Third World artisans. Now a majority of the dozens of businesses that support Fair Trade are small family-owned operations with a strong dedication to working with a specific cooperative or region. For example, Maya Traditions is a small importer partnering with four rural women weavers' cooperatives in Guatemala. Participating in the cooperatives allows the women to gain a fair price for their high-quality products as well as access to a women's herbal health center and increased educational opportunities for their children. Ganesh Himal has a long-term relationship with the Dhukuti women's craft center in Nepal, which provides over 700 low income and abandoned women with employment and training in traditional skills, as well as access to health care, funds for female education, peer counseling services, a bonus program, and welfare and retirement funds. Prescraft is dedicated to preserving the rich cultural heritage of men and women from rural villages in Cameroon in West Africa. In addition to providing fair employment, Prescraft's goals are to stem the flow of peasants from the rural areas to the cities and to preserve traditional craft skills.

The situation was similar in Europe, whose long, explicit history of colonialism has left more of the population aware of how their countries' economic policies have aggravated poverty in the Global South. European Fair Trade efforts originally focused on operating alternative retail stores that sold folk crafts. Currently, Europe has about 3500 such stores, whose efforts are coordinated through the Network of European World Shops. In addition, they work together through the European Fair Trade Association, based in Holland. Globally, Fair Trade efforts are coordinated through the International Federation for Alternative Trade, or IFAT, which focuses on Fair Trade producers.

While Fair Trade sales in the US are small, it represents a huge potential for growth. The Fair Trade industry in North America made nearly \$100 million in gross sales in the year 2000, according to a report in May of 2002 by the Fair Trade Federation. That marked a major increase over previous years, according to the FTF, which expects further increases for 2001 and 2002 primarily due to the rapidly growing market for Fair Trade coffee sold by retail outlets that are not themselves Fair Trade companies.

The market is also growing for another reason. Many consumers have grown frustrated by US companies' lack of response to

continuing exposes about sweatshops overseas. After learning more about the exploitation many young women workers are subjected to by US companies operating overseas, many consumers want to be able to buy products without contributing to such abhorrent ills as child labor, indentured servitude, poverty wages, and forced 70- and 80-hour workweeks.

"I support the principles of Fair Trade. A successful Fair Trade model would be a substantial step towards a more socially just society, in which the principles of decent wages and working conditions are seen not as an "alternative" model for business firms, but as the minimum standard for their operations. To this end, consumers should consider seriously the social and environmental realities behind the products they use and choose fairly traded items when they are available. Unfortunately, in many cases there simply are no alternative products to choose from--you can't find socially responsible sneakers or jeans. However, there is a choice with coffee. Consumers at the supermarket, cafe, and restaurant can make a conscious choice to support farming families all over the world by looking for the Fair Trade Certified label. Drinking Fair Trade Certified coffee can help change the world one cup at a time!"  
--Dr. Noam Chomsky

### **Movement for Certification**

In 1988 Fair Trade advocates realized that producers of basic agricultural commodities faced tremendous disadvantages in the global market as their 'terms of trade' (the value of their products related to other goods) continued to decline - and that developing a Fair Trade market could be a solution. The effort to bring the Fair Trade concept to mainstream commodities and markets originated in Europe through a Dutch organization called Max Havelaar, the original Fair Trade monitoring organization. The name comes from the title of a book about Dutch colonial exploitation of Indonesian coffee workers at the turn of the century, whose popularity garnered Dutch support for labor reforms. Fair Trade advocates pressured existing coffee companies to abide by Fair Trade criteria and carry the Max Havelaar label, which now enjoys wide recognition all over Holland. Max Havelaar later added sugar, cocoa, tea, honey, orange juice, and bananas-historically colonial cash crops-from cooperatives in former colonies. More countries took on the concept and changed the name to TransFair, and in 1997 incorporated into Fair Trade Labeling Organizations International (FLO), which now has branches in Canada, Japan, and 15 importing countries in Europe.

The concept of "mainstreaming" Fair Trade took off in the United States in 1998, with the formation of Transfair USA, this country's



branch of FLO. Paul Rice, TransFair's Executive Director, spent over ten years working with coffee cooperatives in Latin America and realized that building a Fair Trade market was more sustainable than other development projects.

TransFair reasoned that it could appeal to 'specialty' coffee consumers: buyers who pay top dollar for top-quality Arabica beans. Arabica coffee retails for about \$10 a pound and comprises 15 to 25 percent of the total coffee market. TransFair's research showed that people who pay \$10 a pound for coffee would not mind adding a dollar more to guarantee a Fair Trade price to small coffee farmers. Transfair USA began its efforts in late 1998 - and as of 2002 there are over 130 roasters and coffee importers that have agreed to abide by Fair Trade criteria and submit to monitoring by TransFair USA.

### **Campaigning for Fair Trade**

Global Exchange got involved with campaigning for Fair Trade as an outgrowth of the 10 years we have spent promoting Fair Trade through our Bay Area craft stores. We believe that as we criticize free trade and corporate globalization for its lack of democracy and exploitation of poor people around the world, we also need to promote our own vision of a global trade system based on economic justice. As this country's first product with an independent monitoring system to ensure against sweatshop-style labor abuses, coffee represents an important alternative model to the free trade practices advocated by the iron triangle of the global sweatshop economy: the World Bank, the International Monetary Fund (IMF), and the World Trade Organization.

Global Exchange initiated a public education-for-action campaign in summer 1999, and since then we have built a network of activists, church groups, students, labor unions, and environmentalists to increase consumer demand for Fair Trade coffee in our own communities. We successfully lobbied city councils in San Francisco, Berkeley, and Oakland to limit those cities' coffee purchases to brands that are Fair Trade Certified and usually organic. The Santa Cruz city council later followed suit. We helped host a farmer from Esteli, Nicaragua-San Francisco's Sister City-for an event with San Francisco Board of Supervisors and living wage advocates. After many hours of volunteer public education efforts and solid media coverage, the Bay Area now boasts over 100 retail outlets for Fair Trade Certified coffee, up from four when we started in 1999.

Branching out nationally, we laid the groundwork in fall 1999 to help community activists and college students coordinate Fair Trade coffee campaigns. We now have a network of over 130 groups,

mostly on campuses such as University of Chicago and Columbia, where students are working to pass purchasing restrictions at those institutions for Fair Trade coffee. Efforts have already been successful at over 100 campuses including Stanford, Duke, American University, Boston University, and many others. Meanwhile, the Student Alliance to Reform Corporations, United Students Against Sweatshops, the Student Environmental Action Coalition, and Campus Greens have participated in Fair Trade Certified coffee activities across the country. In the fall of 2000, Oxfam America also got involved in helping to promote Fair Trade campaigns on college campuses across the US, adding to the movement for student leadership on global issues affecting poverty around the world.

Some of these efforts have led to important developments with large companies. In February of 2000, students at Wesleyan University in Connecticut wrote letters to the coffee company that sells on campus, Green Mountain. They applauded Green Mountain's commitment to organic coffee, and asked them to extend that commitment to Fair Trade principles. Now Green Mountain is one of the largest roasters of Fair Trade coffee in the US, offering many roasts of Fair Trade, shade grown, organic varieties. That same spring, students at the University of California at Davis convinced Java City to go Fair Trade. And in the spring of 2001, students at the University of California at Los Angeles convinced Sara Lee, the third largest coffee company in the US, to adopt Fair Trade standards rather than lose the lucrative UCLA coffee account. This has had the important side effect of placing Fair Trade coffee in 250 Borders Books Cafes, as they purchase coffee from Sara Lee. Coordinated student activism had led directly to many hundreds of thousands of Fair Trade coffee sold in the US.

## **Starbucks**

Perhaps our most dramatic campaign has been focused on Starbucks. We chose Starbucks because it is the largest specialty coffee retailer, with a fifth of all cafes in the country. In the fall of 1999, Global Exchange approached then CEO Howard Schultz and requested that Starbucks offer Fair Trade Certified coffee in all its stores. The company was initially very hesitant, alleging the beans were of low quality. Shortly thereafter, we organized several peaceful demonstrations in front of Starbucks stores in Seattle during the mass protests against the World Trade Organization. While 50,000 trade unionists, environmentalists, church people and regular citizens demonstrated against 'free trade' corporate globalization, we also advocated for the Fair Trade alternative.

In February 2000, an investigative report by San Francisco's ABC TV affiliate exposed child labor and scandalously low wages on Guatemalan coffee plantations, some of which sell coffee to Starbucks. Immediately after the program aired, we organized a local protest. We then petitioned Starbucks stockholders at their annual meeting in Seattle in February to offer Fair Trade Certified coffee. That same week, the company announced a one-time shipment of 75,000 pounds of Fair Trade coffee. We responded that for a firm as big as Starbucks, this represented a "Drop in the Cup"- an average of only about 30 pounds per store-and the coffee was not certified!

We then circulated an Open Letter, signed by 84 student, environmental, church, and social justice organizations, again asking Starbucks to pay farmers a living wage and offer their customers Fair Trade Certified coffee. Hundreds of people faxed letters to Starbucks from our website or sent postcards asking the giant retailer to pay farmers fair prices. Meanwhile, we organized 30 demonstrations, scheduled for April 13, across the country at Starbucks shops. Our protests were planned right in the middle of a Week of Action for Global Justice organized to protest the International Monetary Fund and the World Bank's annual meeting - the largest mass mobilization against global corporate rule and for Fair Trade since the Seattle protests against the WTO.

Three days before our scheduled demonstrations, Starbucks announced an agreement with TransFair USA to offer Fair Trade Certified coffee at all its stores nationwide, which they did on October 4, 2000. This was a huge victory for farmers, whose incomes triple when they can sell their coffee at Fair Trade prices. It was also an important win for the corporate accountability movement. Starbucks' quick capitulation in the face of nationwide protest illustrates that grassroots organizing and education can indeed bring major results.

In the fall of 2001 we joined with the Organic Consumers Association in demanding that Starbucks regularly brew and seriously promote Fair Trade coffee in all its stores. OCA also demanded that Starbucks offer rBGH-free milk that is safe for consumers in all its coffee drinks, and that it permanently commit to not purchasing genetically modified coffee or other food products. Their campaign mobilized thousands of new environmental and Fair Trade advocates. Starbucks' model of offering only one type of whole bean coffee, and not brewing it regularly in its coffee drinks, treated Fair Trade as a flavor, not a way of doing business. In addition, it leaves the responsibility for choosing Fair Trade up to the individual consumer, rather than the

company taking responsibility for assuring that its supply chain is not exploiting farmers.

In October of 2001 Starbucks announced new programs related to Fair Trade Certified coffee, including the commitment to purchase 1 million pounds of coffee over the next 18 months. Any increase in the amount of Fair Trade Certified coffee purchased in the United States means a direct and immediate improvement in the lives of farmers around the world. However, the announcement falls short of offering brewed Fair Trade coffee at least once a week at all store locations, a move that would prove a significant commitment to Fair Trade. The 1 million pound announcement still puts Starbucks, a company with over \$3 billion in sales last year, far behind other industry leaders such as Equal Exchange, a \$7 million company, which purchased close to 2 million pounds of Fair Trade Certified coffee in 2001. And Starbucks' volume as a percentage of sales is still far below the industry minimum standard of 5% Fair Trade shared by almost every other of the 130 companies offering Fair Trade Certified coffee.

### **Consumer Action**

Demanding fair trade coffee from your favorite vendor is a simple way of combating the economic slavery that is endemic to our world. Starbucks, for one, will specially prepare any of your latte drinks with fair trade espresso, but you have to ask. We need to be conscious of the role of slave labor in producing so many of the goods we enjoy. Let us raise our awareness with coffee, and then continue with other products. "If not now, when?" Rabbi Jonathan Singer, Temple Beth Am

Religious groups have increased their support for Fair Trade immensely in the last three years. Groups such as Lutheran World Relief, the Presbyterian Church (USA), Maryknoll, Church of Christ, the Unitarian Universalists, the United Methodist Church, and others have endorsed Fair Trade efforts as being in line with their religious teachings on ethical consumerism. Over 4,500 of them serve Fair Trade coffee (through Equal Exchange's Interfaith Coffee Program) at their social hours. As Jonathan Fredrichs of Lutheran World Relief states,

"That comforting cup of coffee is our closest link to the smallest players in the global economy. Coffee farmers do 90 percent of the work of getting that coffee into your hands, while sharing less than 10 percent of the proceeds of that very rich crop. Fair trade is genuinely concerned about the well-being of the farmer. We hold this (cup) in our hands every day. Either there is justice in the cup, or injustice in the cup."

Many members of the Catholic Church agree. Melanie Piendak is the Social Justice Coordinator of the San Francisco Archdiocese Office of Public Policy and Social Concerns, and a Fair Trade advocate. She told Global Exchange that, "the Church is familiar with the dire situation of poverty in Central America and other areas; this is a project very much in line with the church's social teachings on promoting justice by being responsible for the moral implications of our consumer choices." In San Francisco, after one church heard about Fair Trade, they got three other local parishes involved. After educating themselves, they split up the city into quadrants - and walked door-to-door to each coffee shop in town, asking that they offer Fair Trade coffee. Advocating for Fair Trade coffee has been one of the most important ways to bring home the issues of the global economy to parishioners - and provide concrete activities that people can engage in on a local level that have a positive affect on the global economy.

Global Exchange's motto is "building people-to-people ties." One of the reasons why consumers sometimes don't realize the impact their purchasing choices can have on people around the world is that they have never had the opportunity to meet a farmer or factory worker who toiled to produce the goods they purchase. To increase the direct connection between consumers and farmers, we have organized a series of speaking tours for farmers and Fair Trade activists to visit communities across the country to exchange experiences with consumers in the US. For example, Elvia Alvarado, a coffee farmer and long-time peasant activist from Honduras, spoke in cities across the US about the situation of coffee farmers in the global economy and the implications of the current crisis in coffee producing communities. In 1999 and 2000, Rosario Castellon, the founder of a successful Fair Trade cooperative in Nicaragua and Producer Relations director for Equal Exchange, spoke about the history of coffee in Nicaragua and the impact of Fair Trade on farmers there. We also continue to tour Jorge Cuevas, an eloquent speaker and director of a Fair Trade coffee cooperative from Oaxaca, Mexico.

Many environmental organizations that have garnered significant support for shade-grown coffee have begun to join forces to promote Fair Trade, including the Smithsonian Migratory Bird Center and the Songbird Foundation. While some commentators think that consumers might suffer from 'label confusion' - among Fair Trade, shade, and organic certification, we believe that consumers understand the importance of both labor and environmental concerns in production. Americans seem ready for this new way of doing business. In a recent BusinessWeek/Harris

poll, 51 percent of Americans interviewed said they support Fair Trade rather than protectionism or "free trade".

In addition, TransFair USA has been organizing regional campaigns to promote Fair Trade that have increased support in important coffee consumer cities such as Seattle, the Boston area, and now Washington, DC. Recently the US Congress - and ironically the World Bank - began selling Fair Trade coffee in their cafes. There is even a resolution being put forward to require all coffee purchased by the federal government to be Fair Trade Certified. And in Berkeley, the city that passed the first divestment restriction against companies trading in South Africa during apartheid, a citizen ballot initiative is gaining popularity to restrict all sales of brewed coffee sold within the city to coffee that is Fair Trade, organic, or shade-grown.

Even the Specialty Coffee Association of America (SCAA) recently officially endorsed Fair Trade Certification, and has formed a task force to determine ways to promote it. While some businesses initially resisted the idea, and most companies still only sell about 5% of their volume Fair Trade, many coffee business leaders are now actively promoting it. The quality of coffee worldwide is dropping precipitously because of the crisis, and they acknowledge farmers need to be paid fairly if they are going to be able to continue to produce specialty quality coffee. Fair Trade is a way to promote sustainability for quality in the coffee industry as well as for farmers and our shared environment. Businesses, like Thanksgiving Coffee, Dean's Beans, Sustainable Harvests, and the Santa Cruz Coffee Roasting Company, have seen that Fair Trade allows them to maintain their ethics and commitment to treating farmers fairly, and delight in developing personal relationships with the farmer cooperatives. It also helps their business by connecting consumers and farmers, and guaranteeing consumers the 'added value' of fairness to their brew. There is even a new importing cooperative of small Fair Trade roasters, Cooperatives Coffees, that is paving the way for more coffee companies to convert to 100% Fair Trade purchases.

## **Folgers**

The majority of Fair Trade coffee consumer activism has focused on the specialty coffee industry. However, because of the catastrophe of the crisis, it has become necessary to intensify our efforts and focus on the largest purchaser of coffee in the country. Last year Fair Trade cooperatives produced over 165 million pounds of coffee - yet only 30 million were sold at Fair Trade terms. The other 135 million were sold to other exporters, or to importers at below Fair Trade prices. It is clear that the hole in the loop is not on the

producer side - there is plenty of availability of Fair Trade coffee from any country of origin - but on the consumer side, because the large companies still refuse to buy Fair Trade.

Folgers, owned by food and household products conglomerate Procter & Gamble, a public company based in Cincinnati, sells 600 million pounds of coffee annually. A shift of 5% of their total volume would double the amount of fair trade coffee sold worldwide. This would provide desperately needed relief for many of our coffee cooperative partners in Latin America. We have begun dialogue with the company, including presenting a petition at their recent shareholder's meeting in Cincinnati last November. We are mobilizing consumers to pressure Folgers to proactively respond to the devastating affects of the coffee crisis. On December 12, 2001 we organized a National Day of Action, where consumer activists educated their communities to raise awareness about the coffee crisis and fair trade. We continuously encourage consumers - and shareholders - to contact the company through letters, faxes, postcards, emails, and phone calls, to demand that Folgers pay farmers a fair price. It is because of consumer action like this that Starbucks decided to adopt fair trade standards, and time will tell if Folgers will do the same.

## **Chocolate**

If coffee was the only crop Americans regularly consume that is produced under exploitative conditions, we could stop there. Unfortunately, this is far from true. When most people bite into a candy bar, it is unlikely that they take even a moment to consider where the chocolate they enjoy comes from. If they knew, it probably would not taste as sweet.

In 1998, an investigation by the United Nations Children's Fund (UNICEF) uncovered a reemergence of child slavery in the cocoa fields of the Ivory Coast, where 43 percent of the world's cocoa comes from. Two years later, a report by the US State Department concluded that in recent years approximately 15,000 children aged 9 to 12 have been sold into forced labor on cotton, coffee, and cocoa plantations in the north of the country. A June 15, 2001 document released by the Geneva, Switzerland-based International Labor Organization (ILO) reported that trafficking in children is widespread in West Africa. Some of these children wind up as slaves on cocoa farms in the Ivory Coast. At the beginning of the 21st century, the children of West Africa are trapped in conditions that were supposed to have been eliminated in the 19th century.

The reemergence of child slavery can be blamed, in part, by a downturn in the price of raw cocoa. Cocoa prices are currently in a

slump, the casualty of global overproduction. The price drop has been exacerbated by deregulation of agriculture in West Africa, which abolished commodity boards across the region, leaving small farmers at the mercy of the market. With prices in the basement, cocoa farmers have been forced to cut their labor costs, and tragically that has meant relying on slave labor.

The six largest cocoa producing countries are the Ivory Coast, Ghana, Indonesia, Nigeria, Brazil, and Cameroon. In these countries, cocoa has especially significant effects on the economy and the population. For example, in Ghana, cocoa accounts for 40% of total export revenues, and two million farmers are employed in cocoa production.

In the Ivory Coast, much of the work of picking the cocoa pods, slicing them open, and then scooping out the cocoa beans is done by slaves. The child slaves come from countries such as Mali and Burkina Faso -- nations that are even more destitute than the impoverished Ivory Coast. Parents in these countries sell their children to traffickers believing that they will find honest work once they arrive in Ivory Coast and then send their earnings home. But as soon as they are separated from their families, the young boys are made to work for nothing. The child slaves work long and hard - they head into the fields at 6:00 in the morning and often do not finish until 6:30 at night. Beatings by farm owners and managers are common.

"The beatings were a part of my life," Aly Diabate, a freed slave, told reporters in 2001. "Anytime they loaded you with bags [of cocoa] and you fell while carrying them, nobody helped you. Instead, they beat you and beat you until you picked it up again." Though he had worked countless days harvesting cocoa pods -- 400 of which are needed to make a pound of chocolate -- Diabate has never tasted the finished product. "I don't know what chocolate is," he told the press.

For years, US chocolate manufacturers have said they are not responsible for the conditions on cocoa plantations since they don't own them. But the \$13 billion chocolate industry is heavily consolidated, with just two firms -- Hershey's and M&M/Mars -- controlling two-thirds of the US chocolate candy market. This means that if these global corporations really wanted to reform problems in the supply chain, they have the power and the ability to do so.

This past year the chocolate industry finally stopped denying responsibility for the problems in West Africa after a string of media exposés and the threat of government action jeopardized their



image and business-as-usual. Frightened by the thought of any sort of regulation, the chocolate industry said it would take steps to eliminate child slavery. On November 30, 2001 the US chocolate industry announced, in a Joint Statement with the International Union of Foodworkers, the ILO, Free the Slaves, and the Child Labor Coalition, to establish a joint foundation to oversee and sustain efforts to eliminate the worst forms of child labor (ILO Convention 182) and forced labor (ILO Convention 29) in the growing and processing of cocoa beans and their derivative products.

However, the plan does not address the basic issue of prices for small farmers. Fortunately, there is a way to correct the economic imbalances of the cocoa system: Fair Trade. Similar to Fair Trade in the coffee industry, Fair Trade in cocoa is an international system of monitoring and certification to guarantee that poor producers are paid a fair price for their harvests. The Fair Trade system guarantees farmers a fair income to support their families with dignity.

In the spring of 2002 Global Exchange launched a campaign targeting the US chocolate industry, focusing on global leader M&M/Mars as the largest US chocolate company in the world. We demand that chocolate companies take immediate steps to end child slavery and poverty wages by committing to purchase at least five percent of their cocoa as Fair Trade Certified. Our campaign against M&M's hijacked their "Global Color Vote" promotion with our own campaign to collect write-in "votes for Fair Trade Certified - the color of dignity and freedom." This campaign was well received by the media and the public, involving grassroots organizers in over 120 cities across the US.

Teachers across the country used the color voting kit as a tool for education about child labor in the classrooms. Parents wrote in, shocked and disgusted that their children are encouraged to sell chocolate as a fundraiser for their school - chocolate that could have been made using child slave labor. Parents want - and deserve - to teach their children about fairness in the global economy, and our obligations as consumers to do the right thing. Fortunately, the campaign also provided a way parents and teachers could teach children about not only consumer responsibility but also about citizen action. They were able to demonstrate that we as citizens have the power, and the responsibility, to force companies to adhere to accepted principles of fairness and human rights in their business practices.

In addition to this, we circulated a sign-on letter, asking groups to endorse the call for Fair Trade to M&M/Mars. The letter was endorsed by over 200 groups, including Amnesty International,

Anti-Slavery International, Oxfam America, the National Family Farm Coalition, the Hotel Employees and Restaurant Employees Union, the International Longshore and Warehouse Union, the General Board of Global Ministries of the United Methodist Church, the Presbyterian Church (USA), the United Church of Christ, and many other organizations. As with Fair Trade coffee, many of these churches are now promoting Fair Trade in their own constituencies, including writing articles in their magazines, featuring Fair Trade at their conferences, and getting more and more churches to sell Fair Trade.

Chocolate is often given as a sign of affection. Would your loved ones want a bittersweet flavor of chocolate stained with blood and sweat? Or would they rather savor the sweetness of fairness and dignity with their favorite confection?

### **What Can You Do?**

Fortunately, you can do something to ensure that your purchasing activities are in line with the rest of your ethical decisions as a human being. Thousands of consumers across the country have organized into hundreds of community groups to coordinate support for Fair Trade in their communities. *We believe in simple, creative activities people can engage in their local communities to advocate for global economic justice.* One of our activist consumers, Karen from a small town in California, told us that,

"[I]t was wonderful to see people's faces light up as we explained how Fair Trade [Certification] can help plantation conditions. "Oh!" they would say, a half smile of new understanding on their faces, thrilled that someone had thought of a solution to these impossible faraway problems, a solution that they can contribute to personally!

"Many people have been led to believe that the power to change things resides elsewhere, but the power resides in all of us, and in the networks we link with. Interacting with your neighbors is a delight that we don't often experience, and Fair Trade Day was a great way to address a global problem, while educating and becoming more connected with our own community."

For consumer action materials and ideas, contact [fairtrade@globalexchange.org](mailto:fairtrade@globalexchange.org) or 415-575-5538.

-You can send a free fax to the CEOs of organizations targeted by Global Exchange from our website, <http://www.globalexchange.org>.

-You can host a Fair Trade speaker, show a Fair Trade video, and educate your community.

-You can visit coffee shops and grocery stores in your neighborhood and tell them about the importance of Fair Trade.

-You can travel with Global Exchange to witness farmer cooperatives producing coffee and chocolate firsthand on one of our Reality Tours.

Last year, Fair Trade coffee sales in the US topped 7 million pounds, up from 4.2 in 2000 and 1.9 the year before. If you figure out the difference that farmers received from the Fair Trade price, as opposed to what they would have received had they sold their coffee in the 'free' market, adjusted to the dramatic changes in the market, Fair Trade efforts have delivered over \$10 million in over-market premiums in the last three years - as a result of consumer responsibility combined with citizen action for corporate accountability.

The anti-sweatshop movement has struggled for years to answer to the consumer question, "I'd be happy to stop buying from companies using sweatshops, but what should I buy instead?" It is clear that corporations cannot be let alone to act responsibly - they must be held accountable to citizens and government regulation to ensure that they respect human rights and environmental conservation. As Fair Trade demonstrates, the key to success is to educate consumers that another way to trade exists, and to mobilize citizens to demand it. At least when it comes to our daily brew, an independently monitored alternative finally exists-one that sets a standard for Fair Trade in the global economy.

For more information on how to locate stores and cafes that sell Fair Trade Certified coffee and chocolate; how to request that retailers stock Fair Trade; how to start a local Fair Trade campaign; or to learn about Global Exchange's upcoming Fair Trade Reality Tour, contact:

**Global Exchange**

2017 Mission Street, Suite 303, San Francisco, CA 94110  
fairtrade@globalexchange.org  
415/255.7296  
www.globalexchange.org/coffee

**Resource Directory**

*TransFairUSA*

1611 Telegraph Ave., Oakland, CA 94612  
510/663.5260

www.transfairusa.org

TransFairUSA is the only certifying agency of Fair Trade Certified

coffee in the US. It represents the US in the international Fair Trade Labeling Organizations.

*Equal Exchange*

251 Revere Street, Canton, MA 02021

781/830.0303

[www.equalexchange.com](http://www.equalexchange.com)

Equal Exchange is the oldest and largest Fair Trade coffee importer and distributor in the US, and has played an active role in the movement for Fair Trade for over 15 years.

*Fair Trade Federation*

1612 K Street, Suite 600, Washington, DC 20006

202/872.5329

[www.fairtradefederation.org](http://www.fairtradefederation.org)

The FTF is the national trade association of wholesalers and retailers involved in Fair Trade with artisans and farmers around the world.

*Oxfam America*

26 West Street, Boston, MA 02111

617/482.1211

[www.oxfamamerica.org](http://www.oxfamamerica.org)

Oxfam America supports a grassroots network of students promoting Fair Trade coffee, as well as maintains partnerships with several coffee producer cooperatives.

*Organic Consumers Association*

6114 Hwy 61, Little Marais, MN 55614

218/226.4164

[www.purefood.org](http://www.purefood.org)

The OCA is currently coordinating a campaign to pressure coffee retailers to commit to not selling GMO coffee, to not using rBGH milk, and to seriously promoting and brewing Fair Trade coffee.

*US/Labor Education in the Americas Project*

PO Box 268-290, Chicago, IL 60626

773/262.6502 [www.usleap.org/](http://www.usleap.org/)

US/LEAP is a labor advocacy organization that led a successful campaign to get coffee retailers to adopt a Framework for Action or Improving the Lives of the People Who Grow, Harvest and Process Coffee.

*Smithsonian Migratory Bird Center*

3000 Connecticut Ave. NW, Washington DC 20008

202/673.4908

[www.si.edu/smbc](http://www.si.edu/smbc)

Researches shade coffee as bird habitat and supports "bird friendly" certification. Convened first Sustainable Coffee Congress in 1996.

*Songbird Foundation*

2367 Eastlake Avenue East, Seattle, WA 98102

206/374.3674

[www.songbird.org](http://www.songbird.org)

The Songbird Foundation educates and motivates people to make sustainable choices to preserve migratory songbirds, focusing on promoting shade grown coffee.

---

Copyright the Journal of Research for Consumers 2001