

MARKETING BY CONTROLLING SOCIAL DISCOURSE: THE FAIRTRADE CASE

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Abstract

A non-conventional marketing strategy is used by the owners of a not-for-profit code of practice, Fairtrade. People buy Fairtrade-branded goods because of the social discourse around it – what friends, newspapers, teachers and others tell them about what it guarantees, what it achieves and what is its social acceptability – rather than because of the advertising. The social discourse is favourable to Fairtrade but bears little relation to observable fact. Methods used by the brand owners and others to control and manipulate the social discourse are identified.

JEL codes: L31, M14, M31, Q13.

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1. Introduction

Fairtrade is an ‘ethical’ brand assuring customers that products bearing the brand have been produced and marketed according to its code of practice. It creates a credence good, where people are willing to pay extra for attributes they believe exist but cannot observe, as do brands like ‘halal’, ‘Appellation d’origine contrôlée’ or ‘organic’ (Bowbrick 2014, pp. 52, 139, 223). Fairtrade customers pay more in the belief that they are helping farmers in the Third World. They base their decision to buy on the social discourse that is formed by the narratives of the brand owners, the importers, and the retailers, as well as the narratives of people who do not benefit financially from selling the product, like journalists, teachers, politicians, activist volunteers and their own circles of friends. The social discourse creates a consensus in a given group of society about what the brand guarantees, what Fairtrade does and achieves, and what is the social, political and ethical acceptability of buying or avoiding the brand. The ‘marketing of Fairtrade’ is therefore the social discourse arising from all narratives. This paper examines how the social discourse is manipulated to produce a marketing message which does not tally with the observed facts.

Social discourse analysis shows that ‘virtually all levels and structures of context, text, and talk can in principle be more or less controlled by powerful speakers, and such power may be abused at the expense of other participants’ (van Dijk 2003, p. 357). This explicitly does not imply a dictator controlling all media and public discourse. Rather, there are firms, organisations and individuals each exercising control of part of the discourse by publicising and repeating some of the narratives they are exposed to, by creating new narratives and by suppressing other narratives.

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The marketing of Fairtrade cannot, therefore, be analysed in terms of the elementary economics of marketing, which has a clearly defined product with objective characteristics, where profit maximisation is the goal and where there is perfect information. Nor can it be assumed that advertising and marketing are carried out in the ways described in textbooks. In the analysis it cannot be assumed that the motivations or ethical drivers are the same as for 'Coca-Cola', 'halal' or 'organic'.

This paper covers the marketing of Fairtrade-branded coffee to UK consumers. It covers only the Fairtrade brand to avoid the confusion that arises because the words 'fair trade' are used with many different meanings, and it covers only the main Fairtrade product, coffee, as the detailed standards for some of the less important products are not the same.¹ The brand is owned by Fairtrade International in Germany, the organisation that sets the standards for the code of practice and monitors them. (This organisation has operated under several names over the years, including Fairtrade Labelling Organizations International, Fairtrade Labelling Organization, and FLO. For clarity it will be referred to as Fairtrade International throughout this paper. Citations, of course, use the name of the author stated on the document, and the name of the organisation at the time.) The administration and marketing of the brand in consuming countries is done by affiliated organisations like The Fairtrade Foundation UK. The coffee is sold in the UK in the normal way, with the certification brand being used in addition to the commercial brand. There are substantial reviews of the research literature in Griffiths (2012, 2013, 2010) and Mohan (2010).

This article begins with the official, legal narrative of Fairtrade International, laying out the standards that must be met. It goes on to look at some of the other narratives derived from this, including the marketing narratives of Fairtrade International, The Fairtrade Foundation UK, and the firms selling Fairtrade, and the narratives of people and organisations who may not benefit financially from selling the brand.

2. The official Fairtrade International narrative

Fairtrade International has set out the standards that must be met if the coffee is to be certified as Fairtrade, and to be sold under the trademark (Fairtrade International (FLO) 2011; Fairtrade Labelling Organizations International e.V. 2011).

Importers must pay a price, 'free on board' the ship (FOB), which is at least the minimum price laid down by Fairtrade International, and which is, in any case, higher than the world price for coffee of that quality by a fixed amount, 'the Fairtrade premium'. Marketing firms in the producing country pay significant certification and inspection fees for the right to market some of their product as 'Fairtrade certified' (FLO-CERT GmbH 2011). The Fairtrade premium may be used to pay costs incurred by the marketing firms: if it is all used in this way, as sometimes happens, the farmer is paid a reduced price; if there is some left over, it must be spent on 'social projects' such as laying out a baseball pitch, building a schoolroom or running a women's group. It can never be used to pay farmers a higher price.

The marketing firms must be farmers' cooperatives – these have been a mainstream marketing system for the last 150 years. They must conform to health and safety and employment criteria which are likely to be similar to those laid down in national legislation. There is a long list that the Fairtrade inspectors, FLO-CERT, must check, as well as the accounts. Individual farmers must meet similar criteria, notably not using child labour.

Coffee packers in the UK pay a 3 per cent licensing fee for use of the brand, which is nearly all spent on marketing. Distributors and traders from the farm gate to the UK consumer may charge any margin they wish.

This narrative is addressed to firms seeking certification, though it is available on the Fairtrade International website.

3. Other Fairtrade narratives

Both Fairtrade International and The Fairtrade Foundation UK have marketing narratives which differ from the official and internal narratives. The public relations narratives to firms, governments, local governments, civil servants, politicians and the media cannot be observed by outsiders, but since they are clearly effective we cannot ignore them. The Fairtrade Foundation UK has a visible marketing campaign using its website and providing both online and printed marketing material particularly for use in the workplace and in schools. It uses email and personal communications to volunteers and, through them, to pupils, schools and religious organisations. It has a largely invisible narrative to distributors, controlling how they market their Fairtrade products (Fairtrade Foundation 2012, 2013a,b).

Often charity workers believe that the marketing message misrepresents their carefully planned and implemented work, but the institution believes that the misleading message will raise more money to do the good work (e.g. Andresen 2006, pp. 141, 142). It can be argued that this is ethically justified. Less easy to justify is giving a false message to raise money to do something that the institution believes is good, when it thinks that the donors may consider it to be useless or harmful. Often workers give a false message to protect the institution, as with National Health Service managers silencing whistle-blowers. And people lie to protect their jobs. As with any organisation, Fairtrade has internal narratives on, for example, whether it is meeting its objectives and whether the objectives should be changed. These only occasionally become public, as when the book *The Fair Trade Scandal*, by insider Ndongo Sylla, appeared in 2014.

The narratives are processed by the recipients in two ways: System 1, the experiential system, and System 2, the analytic system (Epstein 1994; Slovic 2007). System 1 is affective, pleasure–pain oriented; it has connections by association; the recipients' behaviour is mediated by past experiences; it works through images, metaphors and anecdotes; the message can be processed rapidly; it calls for immediate action; it is self-evidently valid. System 2 is reason-based; it analyses with logic and evidence; action is based on conscious appraisal of events; reality is described in abstract words and numbers; the message takes longer to process; and there will not be immediate action. Someone using System 1 when investing may land up in a Ponzi scheme, and someone using System 2 when a lion walks through the door may end up in the lion.

The rhetorical strategy of the marketing narrative impacts on the way recipients process information to affect purchasing. The classical 'proofs of rhetoric' are *ethos*, establishing the credibility of the speaker, *logos*, providing the logic and information, and *pathos*, developing the emotion that will eventually get action (Leith 2011; Charteris-Black 2014). Different strategies may suit the sellers. They may identify which system consumers use and use rhetoric that supports this system, or they may choose a rhetoric that changes the system used, perhaps leaving out the *logos* to force customers to use System 1, or leaving out the *ethos* and the

pathos to force customers to buy on System 2, seeing which supplier produces the best product at the lowest price.

3.1. Ethos

Consumers buy Fairtrade for the satisfaction that they get from acting according to their values, so Fairtrade's marketing aims to show that its values are different from those of the mainstream brands. It concentrates its marketing on *ethos*, suggesting that it shares customers' values and is acting according to them. This goes far beyond the simple halo effect, whereby a firm that is good in one respect is believed to be good in others.

Fairtrade's *ethos* starts with the brand name – we all believe passionately in fairness, even though we may disagree strongly about what is fair, as fairness is a 'thin' concept (Walzer 1994, 2001). The name also implies that coffee without the 'fair' in the name is unfair. Other fair trade (two words) organisations complain that this is deceptive, first appropriating the goodwill that they created, and then suggesting that Fairtrade is the only coffee traded fairly.

The Fairtrade marketing narrative uses the classical rhetorical method of listing those values where there is agreement in the hope that potential customers will believe that they agree on all values. It mentions a lot of values, like fairness, protecting the environment, democracy, organic farming, Trade Justice, higher prices for farmers, health, stopping child labour, women's movements, trade unions and education – so many values that few resources can be spent on any of them. For example, the low proportion of the extra price that reaches the exporting firm (Griffiths 2012, p. 359), taken with information provided by Fairtrade International (Fairtrade Labelling Organizations International 2010), suggests that perhaps between one and five ten-thousandths of the extra consumer price is spent on the environment and three times this amount on education.

The *ethos* is used to instil the beliefs that the brand owners understand the problems facing poor farmers in the Third World, that they have a viable, cost-effective solution, that they have evidence that their solution works, and that they monitor and control all aspects, not just the cash. This is done by anecdotes saying that some individuals have benefited. People reading or hearing these anecdotes fantasise about what Fairtrade is and what it does. They fantasise because they do not have the information to make an informed guess or to imagine – virtually no one in rich countries has any knowledge of the agricultural economy of an African village, of the governance of first-, second- and third-tier producer cooperatives and of the marketing chain for coffee.

The use of *ethos* to get consumers to fantasise about what Fairtrade's values are, what it does and what it achieves, can only work if very little hard information and evidence, *logos*, is made available, so customers are forced into System 1. The more evidence that is given, the greater the number of people that believe that charities other than Fairtrade may fit their values better.

3.2. Pathos

Pathos is the arousing of the emotions to change the affect, which one psychologist defines as 'the positive and negative feelings that combine with reasoned analysis to guide our judgments, decisions and actions' (Slovic 2007, p. 82). The Fairtrade advertising relies on *pathos*. Fairtrade

asks advertisers to concentrate on what they call ‘beautiful reportage’ (Fairtrade Foundation 2012), with pictures of smiling people, of beautiful people, of clean well-dressed people working on their farms (though this is not what people look like when working hard in the fields anywhere in the world).² The people are presented as belonging to families and social groups: the deserving poor whom we would be happy to help. The Fairtrade Marketing Manual (Fairtrade Foundation 2012) emphasises the use of anecdotes about individual farmers ‘with hopes, ambitions and worries, just like us’ and giving ‘interesting little nuggets of information’. ‘Sense of place and origin is massively important in helping the consumer connect.’ ‘Focus and “hero” on one Fairtrade producer where you can and, where relevant reference communities in the text’ (Fairtrade Foundation 2013a).

This is very like the images used by Coca-Cola – beautiful people in a tight-knit community, people having fun, people like us.

Photographs have straplines that are pure *pathos* with no logic or evidence, just an emotional appeal for action.

Paying a fair price is important to me. We all need to be able to look after our families.

When you choose coffee and fruit and clothes with Fairtrade, you know farmers like me, Moussa from Mali, can support my family and strengthen my community and protect our world.

Choose Fairtrade to give the grower a fair price for a fair life.

Fairtrade is about better prices, decent working conditions, local sustainability and fair terms for farmers in the developing world.

3.3. Logos

Logos is the presentation of evidence and logic. It is not surprising that neither should be presented in a particular advertisement, but it is extraordinary that a charity justifying its existence by what it achieves should not present evidence and logic to justify its claims. Some questions not answered are:

- How much extra do customers pay when they buy Fairtrade?
- How much of this reaches the exporters?
- How much of this goes on extra marketing costs arising from Fairtrade membership?
- What impact does this have on the profits of the Fairtrade traders?
- How much is spent on social projects? What projects?
- What is the impact? What is the impact on non-Fairtrade producers?
- How much reaches the farmers? What extra costs do they incur in producing Fairtrade?

This information is not available on Fairtrade websites or anywhere else, though much of it should be routinely available. Even the little information that is claimed to be available is not provided in spite of repeated requests (Griffiths 2012). That means that the marketing narrative relies entirely on *ethos* and *pathos*, the emotion that drives purchase, followed by the exhortation, ‘Buy Fairtrade now’.

When the *only* objective is increased sales, this can be justified. First, statistics and accounts put off customers: most people just stop reading when they see them. Second, presenting evidence or logic moves customers from the System 1 mode, in which they think emotionally, are easy to persuade, and act quickly, into the System 2 analytic mode, in which they question the information and the conclusions to be drawn from it, and in which they are much harder to persuade to buy (Epstein 1994; Slovic 2007). Third, statistics on the number of people in need reduce the effectiveness of the message. People identify easily with a photograph of a single person, particularly a person who is obviously a member of a family or a small group. They find it difficult to identify with a large number of people who are in need. Normally, the larger the number of people in need, the smaller the amount of money per head that is donated to help them, and sometimes the smaller the total amount donated (see Slovic 2007 for a review of the evidence).

4. The Fairtrade Foundation UK narrative

The Fairtrade Foundation UK disseminates its narrative in many ways, including its websites, emails to supporters, publicity literature, talks to volunteers and prospective supporters like student unions, lesson plans for teachers, public relations campaigns aimed at politicians and the media, and its negotiations with firms using its brand and firms marketing Fairtrade products. It is, of course, impossible for outsiders to access some narratives, such as those within The Fairtrade Foundation UK, and those to other Fairtrade organisations, businesses, politicians and the media. That does not mean that they do not exist or can be ignored.

The official, published, narratives of The Fairtrade Foundation UK are very different from the fundamental narrative of the Fairtrade International standards (Fairtrade International (FLO) 2011; Fairtrade Labelling Organizations International e.V. 2011). These standards make it clear that there are no guarantees of prices to farmers. Any minimum prices or Fairtrade premiums are paid to exporters halfway up the marketing chain, as much as a thousand miles from the farmer. They are paid FOB after assembly, processing, in-country transport costs and export taxes have been paid. If there is any surplus after the assembling and exporting firms have covered the additional costs of being registered as Fairtrade, it is spent on 'social projects' and is not paid to farmers. Farmers incur additional costs to meet Fairtrade standards, without being paid higher prices to cover them.

Fairtrade Foundation UK, however, makes the very different claim that that the key guarantee behind the FAIRTRADE Mark is

A fair and stable price to farmers for their products. (Fairtrade Foundation 2005)

The FAIRTRADE Mark means farmers get a fair price for what they sell, plus a bit extra. (Fairtrade Foundation n.d.)

The Fairtrade price is paid to farmers by whoever buys their crops. (Fairtrade Foundation 2012?)

Martin Hill, then Director of Commercial Relations, Fairtrade Foundation UK, now Director of Global Account Management at Fairtrade International, stated

... one thing you can guarantee with Fairtrade is that the minimum price and the premium that you are paying is paid at farm gate. (Hill 2009)

The narrative also withholds information, both on what Fairtrade International says it does and on what research shows actually happens. For example, in the very few cases where it has been possible for a researcher to work out the extra prices paid by consumers, it has been found that a very small part of the extra price reached the Third World exporting firm, for example, less than 1 per cent in Britain (Griffiths 2012, p. 359), 11.5 per cent in Finland (Valkila, Haaparanta and Niemi 2010), 2 per cent in the United States (Kilian et al. 2006), 1.6 per cent to 18 per cent in Britain (Mendoza and Bastiaensen 2003). Mohan (2010, pp. 52–5) discusses similar evidence produced by Potts (2004), Harford (2005), Sellers (2005), Weber (2007) and Jacquiau (2006).

Other research shows that the additional costs of marketing Fairtrade can mean that the marketing firms make a loss from being Fairtrade-certified (Weber 2007, 2011; de Janvry, McIntosh and Sadoulet 2010; Berndt 2007a,b). In this case they certainly have to pay farmers lower prices than they would if they were not Fairtrade-certified. This also happens when the firms are less efficient than competing traders: the Fairtrade system gives the certified marketing companies (cooperatives) a monopsony, so farmers cannot sell elsewhere even if they are offered a better price.

Similarly, the narrative withholds information about research contradicting the claims that

The international Fairtrade system monitors and audits the product supply chains to make sure the producers are genuinely getting the money. (Fairtrade Foundation 2006, p. 1)

and that there is other audit (Fairtrade International (FLO) 2011, pp. 3, 4). Very little time is spent on the audit (FLO-CERT GmbH 2011), and the audit covers dozens of criteria, including handling of pesticides, labour practices, and so forth. There have been frequent complaints over the years of the grossly inadequate audits: for example, Christian Jacquiau cited in Hamel (2006), Hamel (2006), Weitzman (2006a,b), Valkila (2009, p. 3023), Moore (2004) and Reed (2009).

There have also been frequent complaints that importers do not pay the guaranteed prices (de Janvry, McIntosh and Sadoulet 2010; Reynolds 2009; Valkila, Haaparanta and Niemi 2010; Valkila 2009). De Janvry, McIntosh and Sadoulet (2010) show the very complex analysis needed to determine whether or not the exporter has been paid the Fairtrade price: it takes months rather than days, and certainly cannot be carried out in the three days of FLO-CERT audit, even if the large number of non-financial criteria that should be covered in the audit are ignored. They show that an exporter serving 300 cooperatives was paid substantially less than the guaranteed price over a 12-year period, with between 66 per cent and 83 per cent of the price premium being stolen by importers in some years.

There is no research to support the claim that the Fairtrade marketing system is a miraculous new invention: the in-country marketing system is the mainstream cooperative marketing system, established 150 years ago, and it uses the same traders and the same distributors in the UK as non-Fairtrade brands. And many cooperative marketing systems have used special claims to get a price above the normal market price.

5. The retailers' narratives

The Fairtrade Foundation UK controls the advertising used by retailers, so their narratives are much the same. There is one major difference, though. The firms sell directly to consumers and

so are subject to the Consumer Protection from Unfair Trading Regulations (2008; see also European Council 2005), which make it a criminal offence carrying three years' imprisonment to mislead customers in a way that 'causes or is likely to cause the average consumer to take a transactional decision he would not have taken otherwise'. This includes

- *Making false and misleading claims* (and this includes using information that is factually correct to support the false or misleading claims). This would cover claims that (some of) the extra money paid goes to farmers as increased prices.
- *Hiding or omitting material information*. This would cover failure to tell the consumers that the primary objective in selling Fairtrade is to increase profits, with any charitable effect being negligible. It would cover failing to tell consumers what a small proportion of the extra price paid goes anywhere near the consumers' intended recipients. It would cover failing to disclose the extra price paid.
- *Providing information in a way which is unclear, unintelligible, ambiguous or untimely*.

Major supermarket chains in the UK are aware of the discrepancy between the facts and the discourse, and that they are misleading customers.

6. Using volunteers to market the brand

The Fairtrade Foundation UK uses volunteers as a key part of its marketing and has a well-organised system for recruiting, inspiring, training and directing them. A major benefit of using volunteers is increased credibility. People mistrust a message from people who are making money out of a product, including employees of companies or charities. They are more likely to trust a friend who appears to have done her homework on the facts. A second benefit is market segmentation: the volunteers can tailor their message to the individuals, colleagues, schools or churches they are trying to influence. A third, important benefit is that the volunteers are not paid and often collect donations for The Fairtrade Foundation UK. Firms sometimes take advantage of this: Davies and Crane (2003) report that a private commercial firm selling fair trade was quite happy to make use of volunteers who thought that they were helping poor farmers, when they were in fact increasing the firm's profits. A fourth benefit is that a small group of volunteers can have a big effect: for example, two dozen students form a group to make their university into a Fairtrade University; they launch a campaign and put a motion to the Students' Union; nobody is violently opposed, and most people are neutral but broadly sympathetic to the Third World, so it goes through on the nod. Fairtrade suppliers then get a monopoly. (McCracken 2014 describes the first such campaign and the follow-up over ten years.) Another benefit is that what the volunteers say is not subject to the 'Unfair Trading' legislation, as they do not sell to consumers (Consumer Protection from Unfair Trading Regulations 2008).

Individuals fantasise on the basis of what they have heard from Fairtrade and from other volunteers, about what Fairtrade does and achieves. They then talk to each other and build up a group narrative. Inevitably, individuals construct a fantasy based on their own ideals and values, noticing and giving prominence to anything that supports these. As individuals tend to be friends with people who have similar ideals and values, their particular fantasies are likely to chime with those of their friends and so to be very powerful indeed. There is a feedback loop,

which means that perceptions may get less and less accurate with each iteration. Again, it is easy to produce examples of wildly inaccurate perceptions, but difficult to show how widely they are held, and by whom.

The result is that there is a highly segmented marketing message targeted by individual volunteers at friends, acquaintances and their personal networks of interested organisations, tapping into their shared values. Wheeler (2012a, p. 498) shows how different messages are prepared and delivered to churches and to synagogues, for instance.

Volunteers need not be individuals or small groups: often firms and institutions, such as charities, schools, universities, city councils and government departments, perform the function of unpaid volunteers promoting the brand. In some cases there may be the incentive of laundering the institution's image by linking it to a brand that is widely perceived to be 'ethical'. Malpass et al. (2007) show the power of having convinced Fairtrade supporters in the government or in public organisations when activists are trying to persuade them to become a Fairtrade town, city or country. It is particularly useful to have a supporter who is in charge of purchasing. See also McCracken (2014).

Wheeler (2012a) carried out sociological participant observer research into Fairtrade volunteers and activists and found that

Those involved in Fairtrade Town networks in the UK are guided by the Fairtrade Foundation (FTF) who discursively construct and appeal to the all-inclusive category of the 'consumer' in campaigning material aimed at already-committed Fairtrade supporters. (Wheeler 2012a, p. 132)

Wheeler applies the theory of practice to analyse how activist volunteers are created by engagement in social practice and 'demonstrates how consumption is shaped by shared structures of knowledge, institutional frameworks and infrastructures of provision' (Wheeler 2012a, p. 126). This is compatible with the social discourse approach of the present paper.

Wheeler (2012b) studied the main campaign of the year, the Fairtrade Fortnight, as a participant observer in 2008. This campaign was financed by firms selling Fairtrade – importers, packers and retailers – but most of the 12,000 campaign events were organised by volunteers and activists. The main objectives of the Fairtrade Fortnight are to get volunteers and activists to celebrate the fact that they are activists, to reinforce their enthusiasm, to train them and to recruit more activists, not least schools, teachers and pupils. Training courses are run by firms profiting from Fairtrade, by The Fairtrade Foundation, which is funded by these firms, and by volunteers. There is also a marketing push, with supermarket chains running special programmes. Activists are asked to lobby politicians.

Malpass et al. (2007) present an analysis of the campaign to make Bristol a Fairtrade City, based on participatory observation. It identifies the many objectives of the City Council, including the laundering of the image of a city famous for its role in the slave trade, and distinguishes the role and objectives of politicians and the council officers. The campaign involved many different organisations and volunteer groupings, with different objectives. A major part of the campaign was devoted to constructing a social discourse which would make the decision politically acceptable. There was a quite deliberate process of constructing a discourse that would be widely acceptable to groups which might not agree on supporting any given concept of Fairtrade, groups such as greens, local farmers, and groups supporting Trade Justice or sustainability, for instance. The social discourse that was produced bears little relation

to the discourse contained in the Fairtrade International Standards, but the authors of the paper, Malpass, Cloke, Barnett and Clarke, themselves have a narrative that bears little relation to the standards or to research on the application of the standards.

7. Marketing to schoolchildren

The marketing campaign aimed at children, and, indirectly, their parents, is particularly powerful. Fairtrade is part of the curriculum, appearing in a range of subjects throughout a child's school career, from infants onwards. I have analysed this in detail elsewhere (Griffiths 2014). The campaign meets the definition of indoctrination using the classic criteria of 'intention of the teacher, the methods employed by the teacher, or the doctrinal nature of the subject matter' (Siegel 2009, p. 27) (bearing in mind that the teachers may also be subjected to indoctrination). The teaching material states explicitly that its intention is to increase sales of a commercial brand, Fairtrade, not to educate. The methods are not those of normal teaching, but are aggressive marketing, including full 45-minute periods of guided visualisation, whole-day sessions on Fairtrade, social pressure including getting the school certified as a 'Fairtrade School' and participation in the Fairtrade Fortnight, and religious pressure with Fairtrade assemblies and getting children to pray that they should consume Fairtrade goods. The teaching material is doctrinal: it contains neither hard fact nor logic and no critical thinking or discussion of alternative views. That is to say, the campaign would be unacceptable even if the teaching material were correct, but its claims are contradicted by the Fairtrade standards and by the research evidence.

8. Media narratives

The media make their money by presenting the mix of stories their customers want to hear and suppressing others. They may suppress stories about popular stars like Jimmy Saville and Rolf Harris. They may suppress stories that upset advertisers (Tran and Plunkett 2015) or that do not suit the business or political interests of the media owners. The media coverage of Fairtrade is overwhelmingly positive, far more so than the academic narratives.

Examples of suppression of stories criticising aspects of Fairtrade show that it does happen, but it will never be possible to say how common this is. For example, I have been approached by ten different press and TV reporters who have been disturbed by what they found and did not find when they visited Fairtrade cooperatives and farmers in the Third World. I produced the research evidence that confirmed and explained their observations. Their stories were spiked. An editor of a top newspaper refused to publish my article on Fairtrade on the grounds that 'We are in the feel-good business. We do not attack popular institutions or tell our readers that they have been fooled', but she did arrange for the article to be published elsewhere, in a magazine.

9. The academic discourse

There is an academic discourse on Fairtrade and this is of course influenced by the more general social discourse, as is recognised by Critical Discourse Analysis, for example:

Continuing a tradition that rejects the possibility of a 'value-free' science, [critical discourse analysts] argue that science, and especially scholarly discourse, are inherently part of and influenced by social structure, and produced in social interaction. Instead of denying or ignoring such a relation between scholarship and society, they plead that such relations be studied and accounted for in their own right, and that scholarly practices be based on such insights. Theory formation, description, and explanation, also in discourse analysis, are sociopolitically 'situated,' whether we like it or not. Reflection on the role of scholars in society and the polity thus becomes an inherent part of the discourse analytical enterprise. (van Dijk 2003, pp. 352–3)

There is a body of research showing that referees are more likely to reject papers that produce results that disagree with their beliefs (Bornmann 2011). Since many of our universities have declared themselves 'Fairtrade Universities', have research groups concentrating on Fairtrade and even employ administrators to publicise Fairtrade to members of the university, one might expect that most referees will believe that Fairtrade is a Good Thing, and at least demand a higher standard of proof for results that are not favourable to Fairtrade. When Cramer et al. produced a major study whose results were not what Fairtrade supporters wanted, the UK government, which had financed the study, held up publication for three months because 'advocates of Fair Trade might find some of the findings controversial' while the Fairtrade industry and pro-Fairtrade academics did 'fact checking' (2014b, p. 8). In reality the findings were in line with research results over the years. Since none of the studies supporting Fairtrade are subjected to this prepublication scrutiny, we have a clear case of government biasing research. It is alarming that there was no outcry from the academic community.

Papers on Fairtrade are likely to be refereed by 'Fairtrade specialists' who may be expected to have strong beliefs, though the discipline best equipped to analyse them is agricultural marketing economics. Fairtrade is, however, almost absent from the agricultural marketing literature because it is not new: the marketing, other than the aspects discussed in this paper, is a mainstream system that has been analysed in depth over more than a century. The special claims made for the Fairtrade version are not likely to convince a marketing economist.

Fairtrade marketing makes major claims for the impact of its system. I have not been able to find any studies that meet the generally accepted requirements for an impact study, as discussed in Clemens and Demombynes (2010), Gertler et al. (2011), Angelucci and Di Maro (2010), Winters, Maffioli and Salazar (2011), Winters, Salazar and Maffioli (2010), Cramer et al. (2014a), for instance. At the least, this means that a meaningful study would be very expensive – £692,959 for the studies by Cramer et al. (2014b, p. 6). I have questioned whether a meaningful impact study of Fairtrade can be carried out at all because of the way in which it operates (Griffiths 2012).

Much of the literature consists of reports of surveys with no theoretical input, usually done by students and published on websites. These have been strongly criticised (Cramer et al. 2014b; Griffiths 2010, 2012). There is very little research with a rich theoretical basis. There are a few studies with pure theory and arbitrary, non-empirical, assumptions (see Griffiths 2013 for a comment on one of these).

The coverage of the research is strongly influenced by the Fairtrade industry. It is easy to prevent certain lines of research by withholding information, on prices and margins within Britain, on the accounts of Fairtrade cooperatives, on what happens to the money collected by Fairtrade International or on what exactly happens to the money that does reach the exporter,

for instance. Access to Fairtrade cooperatives may be restricted to people who are fervent supporters of the brand.

10. The political narrative

Fairtrade approaches politicians directly and through volunteers (Wheeler 2012a, pp. 502, 503). As politicians stand to gain votes by supporting a popular cause and to lose them by opposing it, it has all-party support. Central government and local government in the UK support Fairtrade by cash donations, by donations of publicly financed labour such as the time of teachers and public servants, by employing Fairtrade support officers within their organisations, and by financing Fairtrade publicity organisations such as the Scottish Fair Trade Forum. They also become Fairtrade Towns, Fairtrade Cities and Fairtrade Governments, giving Fairtrade suppliers a monopoly position. It would be impossible to quantify the costs, but there is no reason to believe that these costs alone are lower than the amount of money reaching rural areas in the Third World. The opportunity costs are far higher than the benefits Fairtrade claims.

Civil servants and law-enforcement authorities face two problems. They may be keen supporters of Fairtrade, in which case they may not apply their professional skills dispassionately and in line with the law. Or they may see problems but consider it bad for their careers, and politically inexpedient for their masters, to do anything about them.

11. Controlling the discourse

The control in this marketing system is not exercised by an all-powerful central body dictating what may or may not be said. The system gives the 'right' speakers power – giving them a platform. It gives less powerful speakers marketing material to influence what they say, and again gives them a platform. It influences the social discourse produced by correcting narratives with misperceptions that harm the Fairtrade brand and failing to correct any with misperceptions that favour it. It limits access to the discourse by people whose narratives are unfavourable to Fairtrade. It is in fact the control of social discourse by powerful speakers described by van Dijk (2003, p. 357).

It would be wrong to ignore these narratives and discourses because they have not been measured or quantified, just as it is wrong to ignore other economic phenomena, such as prices, when we have no meaningful statistics on them. Clearly, most of the public relations of Fairtrade International and The Fairtrade Foundation UK are not observable directly, though some are, and some can be construed from media stories. However, we can, for instance, compare one of the narratives produced by Fairtrade International with one very different narrative produced by The Fairtrade Foundation UK, and the narratives produced by The Fairtrade Foundation and some charities to guide teachers, though we cannot examine the narratives that the teachers then give to their pupils, nor how the pupils understand them, nor what message the pupils then give to their parents and local shopkeepers or how they process and understand it (Griffiths 2014). We can observe some of the totally inaccurate conclusions that people have derived from their social discourse in the many blogs and comments on the internet or in conversation, but it is not possible to say how common these perceptions are or whether they are representative of significant segments of the market.

Asking people what their perceptions are gives incorrect impressions: stated purchasing patterns seldom reflect actual purchases. If an interviewer asks people using System 1 why they made their decision, or what they believe about Fairtrade, they have to switch into System 2 to analyse their decision or their belief before they can talk about it. This may cause them to produce a different analysis, or to construct a rationalisation to support their action, possibly producing new fantasies to do so. Inevitably, any question, even the fact that they are asked to discuss the matter, changes the belief and the quality of that belief. In my economic research on agricultural marketing and policy, for instance, I interview people who have made serious, evidence-based decisions using theory (i.e. System 2) and I expect that they change their perceptions and often their conclusions as a result of an interview process based on listening rather than questioning (Griffiths 2003). This means that it is not possible to find out which narratives determine what people think about Fairtrade, or what they think about Fairtrade at the point of purchase. Revealed preference does not disclose this.

What we do know, beyond any doubt, is that this marketing system has been extraordinarily successful. Good people, generous people, throughout the world are spending £4.4bn a year on Fairtrade (Smithers 2014) in the belief that the extra money they spend goes as higher prices for farmers. It does not.

Notes

1. The US Fair Trade laws encouraged retail price maintenance from 1931 to 1975 to protect small shops. The UK Fair Trading Act of 1973 covered the enforcement of trade protection legislation generally. Within the EU, the law defines what is Unfair Trading (European Council 2005, 2011; Consumer Protection from Unfair Trading Regulations 2008). There are many brands claiming to be 'fair trade' or 'ethical' which have different marketing standards and strategies to Fairtrade (Ballet and Carimentrand 2010). Fairtrade is the largest of the fair trade (two words) brands, with a turnover of over \$6.66bn a year for all its product lines (Fairtrade International 2013).
2. Readers may have difficulty in accessing these statements through the links in the references. UK trading standards officers, whose job it is to enforce consumer protection legislation, were given published and unpublished evidence on possible lawbreaking in Fairtrade, including evidence presented in this paper. They forwarded it to the Office of Fair Trading, Europol and Interpol (Trading Standards Officers 2014). Soon afterwards there were major changes to the Fairtrade website, concentrating on these false statements of fact. The pages that are cited are available from the author.

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