Fair trade awareness: Exploring its relationship to public policy and sustainable outcomes

Dawn H. Pearcy, Ph.D. – Eastern Michigan University Wyatt A. Schrock – Michigan State University

ABSTRACT

This paper explores the roles that public policy, stakeholder involvement and Fair Trade (FT) information dissemination play in increasing consumer FT awareness. The relationship between consumer FT awareness and FT consumption behavior is also examined. Some proven FT outcomes are reviewed from economic, social, and environmental perspectives. The need for consumers to move to FT as a sustainable consumption behavior is underscored. Finally, a conceptual framework, research propositions and a plan for related empirical testing are discussed. Overall, this paper represents a step toward understanding FT consumption behavior, which has environmental sustainability and quality of life implications globally.

KEYWORDS: Fair Trade, public policy, consumer awareness, stakeholder involvement, sustainable development

INTRODUCTION

The prospect of new markets and the search for lower-cost labor (comparative advantage; Kogut 1985; Porter 1986) have prompted firms in nearly every sector to push far beyond the borders of their home countries in pursuit of enhanced business performance. While global procurement and marketing can prove to be financially beneficial to firms, they also introduce the potential for unjust asymmetry in business interactions. In an attempt to ensure that such injustice does not occur, some businesses have adopted Fair Trade (FT) practices and a growing number of individuals have adopted FT consumption behaviors. According to the World Fair Trade Organization (formerly IFAT), "Fair Trade is a trading relationship based on dialogue, transparency, and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South" (www.wfto.com 2011).

The principles and practice of FT relate to a number of international initiatives which seek to promote sustainability. For example, FT supports the premise of Principle 5 of the United Nations (UN) Rio Declaration on Environment and Development (1992), which states: "All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world" (Principle 5 of the Rio Declaration 1992). The Rio Declaration as well as Agenda 21 emanated from The Earth Summit held in Rio De Janerio, Brazil in 1992. The former was developed to establish international partnerships characterized by equity and cooperation for the purpose of advancing socio-economic and environmental sustainability for all. The purpose of Agenda 21 is to provide comprehensive guidelines for action to be taken in every area in which people interface with the environment (<u>http://www.un.org/esa/dsd/agenda21/</u>).

Over the years, the UN has put forth many and varied efforts to address environmental sustainability, poverty eradication and other socio-economic issues and problems. The UN Commission on Sustainable Development (CSD) plays a pivotal role in reviewing the progress of implementation of Agenda 21 and the Rio Declaration. Since the Earth Summit at Rio, The UN convened the World Summit on Sustainable Development (WSSD) in Johannesburg, South African in 2002. It was agreed at the WSSD that poverty eradication and sustainable management of our natural resources are priorities. The Johannesburg Plan of Implementation (JPOI) was developed to ensure that these priorities are pursued. Chapter III of the JPOI specifically addresses changing unsustainable patterns of consumption and production. Another important result of the WSSD was the draft 10-year framework of programs on sustainable production and consumption. The Marrakech Process was initiated in 2003 to support implementation of sustainable production and consumption and elaboration of the 10-year framework. The lead agencies on the Marrakech Process are the UN Environment Programme and the UN Department of Economic and Social Affairs. The CSD recently convened (2010-2011, http://www.un.org/esa/dsd/csd/csd_multyearprogwork.shtml) in order to present a sound proposal on the 10-year framework of programs, to engage negotiation of governments and to solicit all major stakeholders in the deliberations.

PURPOSE AND SIGNIFICANCE OF THE RESEARCH

Clearly, changing unsustainable patterns of consumption is of paramount importance to our future as a global society, as evidenced by the abovementioned efforts. Key in changing consumption behaviors toward sustainable ones is increasing our knowledge about the current state of consumption behavior and the factors that impact it. Therefore, the purpose of this study is to explore the role that public policy regarding stakeholder involvement and FT information dissemination might play in increasing consumer awareness and FT consumption behavior. In addition, it explores the proven outcomes of FT from economic, social, and environmental perspectives while underscoring the need for consumers to move to FT as a sustainable consumption behavior.

This research is significant because developing an understanding of FT consumption behavior represents an early step in increasing its prevalence. Increased FT consumption behavior is necessary because FT can improve the lives of substantial numbers of individuals and communities in developing nations who regularly face great challenges in earning a decent living and accessing the very basic necessities of life. Increasing sustainable production and consumption behaviors (such as FT) is so important that it is elaborated in Principle 8 of the Rio Declaration, which states "to achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies" (Principle 8, Rio Declaration 1992 at http://www.unep.org/Documents.Multilingual/Default.asp?documentID=78&articleID=1163, accessed 9/27/12).

This research is also significant because FT addresses more than socio-economic challenges faced by small-scale producers, it also addresses the environmentally sustainable production of products. One of the foundations of FT is that suppliers agree to provide products that were produced in an environmentally-friendly manner, (e.g., without the use of pesticides) assuring minimal degradation to the air, water, and soil. Needless to say, reducing the negative impact to our natural environment is a concern that must be fervently addressed by all - governments at all levels, non-governmental organizations (NGOs), businesses and individuals world-wide.

An additional contribution of this research is that it analyzes the key role that public policy plays in increasing consumer awareness, which in turn is theorized to impact increases in sustainable consumption behaviors. According to Leire and Thidell (2005), it appears that consumers find it difficult to draw the connection between their consumption of products and sustainability problems. It is easy to see how this premise applies to FT, where consumers might fail to see how their individual purchase behaviors relate to producers' quality of life. Clearly, it is important for consumers to overcome this disconnection.

In order to examine these important topics, a review of the existing literature is presented. This is followed by the presentation of four research propositions and a discussion of the proposed research methodology. The paper concludes with implications for practice. It should be noted that given the paucity of previous research on specific FT issues relevant to this research, the researchers will often refer to existing research studies, policies, and efforts related to the environment to support the development of the research model. The premise here is that environmental research and practices are highly applicable to FT, as they both address sustainability as well as the fact that the practice of FT actually incorporates environmentally-friendly methods of production.

LITERATURE REVIEW

Fair Trade Consumption Behavior

The practice of FT has existed since the mid-1940's and has since grown steadily. Fair Trade addresses the disparities in "conventional" trade and seeks to secure viable livelihoods and sustainable development for producers in developing nations. Some of the foundations of FT include: market access for marginalized workers, sustainable and equitable trading relationships, capacity building and empowerment, consumer awareness raising and advocacy, and FT as a "social contract" (WFTO – Charter of Fair Trade Principles) The benefits of FT can be farreaching and impact society on an economic, social, and environmental level; thus addressing at least two of the eight UN Millennium Development Goals, namely ending poverty and hunger and environmental sustainability (<u>http://www.un.org/millenniumgoals/</u> accessed 10-4-12). Fair trade does so by ensuring that producers are paid a fair, living wage through floor prices, paying a social premium on Fairtrade items, and the producers' assurance that offerings are produced in an environmentally sustainable manner (Fairtrade.net - Minimum Price and Premium Table; Fairtardeusa.org – Environmental Impact)

Today, consumers can purchase a variety of Fairtrade products including coffee, tea, bananas, chocolate, wine, clothing, and more (http://www.fairtrade.net/products.html accessed 10-4-12). In addition to increasing product variety, the sales of Fairtrade certified products to consumers had essentially tripled in the three-year period from 2004 to 2007, increasing from US \$1.2 billion to US \$3.4 billion (Krier 2007). Still growing rapidly, worldwide sales of Fairtrade products have nearly doubled since 2007, topping US \$6 billion in 2011 (a 12% gain over 2010; Fair Trade International Annual Report 2011 – 2012). In terms of premium paid to producers, coffee has remained the biggest selling Fairtrade product, while continuing to show strong growth (up 12% yoy, Fair Trade International Annual Report 2011-2012). The average annual sales growth rate for FT coffee in the decade leading up to 2008 has been estimated to be 40% (http://www.fao.org/fileadmin/templates/organicexports/docs/Market_Organic_FT_Coffee.pdf). The same source suggests that, although the FT share of "specialty" coffee is nearly twenty percent, just over three percent of all coffee sold in the US is FT. Thus, there is room and expectation for growth.

Chapter 4 of Agenda 21 provides a solid foundation for the development and advancement of sustainable production and consumption policy. It also addresses the need to ensure that people choose to replace unsustainable production and consumption patterns that cause environmental strain with sustainable ones as well as the importance of reinforcing values that take the basic economic and environmental needs of developing nations into account. Chapter 4 undoubtedly supports the value of FT as a sustainable consumption behavior. A subsequent section of the

literature review describes how public policy can contribute to increases in FT consumption through stakeholder involvement and increased consumer awareness.

Sustainable Outcomes of Fair Trade Consumption Behavior

Participation in FT purchase behavior on the part of both businesses and individuals is only meaningful if it results in appreciable, positive impacts on social and economic aspects of producers' lives and on our natural environment. The following summarizes some previous research on how producers' participation in FT supply chains has impacted their lives.

Parrish, et al. (2005) cited their 2003 study in which they collected data over a three-month period via household and group interviews with 100 small farmers, industry participants, direct observation, and documents from coffee boards in Tanzania. The researchers found that farmers' participation in FT production and sales resulted in increases in financial capital, some improvements in community infrastructure, significant increases in industry connectedness on a global basis, and some gradual impact on farmer organization.

In the case of Kenyan farmers, Becchetti and Costantino (2008) ascertained that participation in FT appeared to be related to enhanced economic and social well-being, but room for improvement existed with respect to farmers' productive and technical skills. Becchetti and Costantino (2008) also attributed increased access to trade channels, crop diversification, increased food consumption expenditures, and higher dietary/nutritional quality to FT. Importantly, they found that FT-affiliated farmers experienced higher levels of income satisfaction in comparison to a control group of farmers living in the same geographic area and under similar circumstances. Becchetti and Costantino (2008) concluded that the combination of price premiums paid to farmers, stable prices, and technical assistance contributed to positive outcomes in the areas of price, satisfaction with living conditions and other socio-economic measures of a sustainable livelihood.

Additional benefits to fair trade producers include land ownership security or perceived security (Bacon 2005; Lyon 2007), increased access to credit (Lyon 2007; Ruben and Fort 2012) and enhanced gender equity (Utting-chamorro 2005; Lyon 2007; Lyon et al. 2010). Finally, the research of Raynolds, et al. (2004) reported similar outcomes as well as benefits such as development of health, housing, and education programs, enhanced employment opportunities, development of farmer training and environmental projects, cooperatives' funding of organic certification fees, and infrastructure improvements in seven case studies of Latin American coffee producers.

According to Transfair USA (2006), in the preceding three years, between 87 and 90 percent of FT coffee sold in the US was produced organically. Raynolds, et al. (2004) found that cooperatives in Latin America created training centers that teach farmers sustainable agriculture practices. In addition, environmental criteria and the encouragement of organic farming methods not only benefit consumers of FT products, but also have ramifications for the health and well-being of producer communities (Raynolds, et al. 2004). For example, FT farmers who employ organic growing techniques do not expose themselves or those in their communities to the (potentially) harmful side-effects of pesticides, and the air, water and soil in that area does not become polluted by these chemicals.

Public Policy on Fair Trade - Stakeholder Involvement

The FT movement finds the role of public policy in advancing its efforts so important that it has developed a FT pledge for candidates of the European Parliament. The pledge, states the following: "If elected Member of the European Parliament (2009-2014), I will strive to ensure that the European Parliament and other EU Institutions give, as far as possible, public support to Fair Trade. In particular, I will do my best to ensure that the needs of marginalized producers and poor workers in the South are reflected across all EU policy areas and adequate EU support is made available for FT projects that help them to trade their way out of poverty". (Fair Trade Advocacy Office 2009 at www.fairtrade-advocacy.org). U.S. policymakers have yet to adopt such a pledge, though U.S. government agencies such as the EPA do set out to involve relevant stakeholders regarding a range of sustainability issues (<u>http://www.epa.gov/evaluate/pdf/</u><u>stakeholder/stakeholder-involvement-public-participation-at-epa.pdf</u>). Governments at all levels will play a pivotal role in moving FT forward; however many other stakeholders exist. The following discussion further examines stakeholder involvement in FT as a public policy.

The flow of information regarding sustainability issues among relevant stakeholders (e.g., consumers, businesses, governments, and NGOs) expands the awareness level of all involved. Further, increasing stakeholder knowledge through involvement and information sharing helps facilitate the adoption of the desired sustainable behaviors (Jaffe, et al. 2000; Grob 1995; Schahn and Holzer 1990a). Principle 10 of the Rio Declaration underscores the need for stakeholder involvement in sustainable development issues, especially when considering production and consumption, as government agencies and individuals both play a role in these matters. While Principle 10 and much of what has been written in the literature specifically addresses environmental issues, it follows that the premise of stakeholder involvement is equally applicable to FT issues as well. Principle 10 states:

"Environmental issues are best handled with participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided" (Principle 10, Rio Declaration 1992 at http://www.unep.org/Documents.Multilingual/Default.asp?documentID=78&articleID=1 163, accessed 10/14/12).

According to Bruch (2002), the Americas and North America, Europe, Central Asia, and East Africa have established specific practices to ensure that the requisite information is available to the public and that people have the opportunity to participate in the decision-making process in order to advance sustainable production and consumption. Further, Bruch (2002) noted that a similar pan-continental process is ongoing in Asia and Europe. Some examples of regional initiatives include: the 1993 North American Agreement on Environmental Cooperation, the

1998 UN/ECE Convention on Access to Information, the Aarhus Convention, and the 2000 Inter-American Strategy for the Promotion of Public Participation in Decision-Making for Sustainable Development.

The establishment of Fairtrade Towns serves as an example of how public policy can provide support for FT and spur additional involvement on the part of various stakeholders. According to the Fair Trade Foundation, the core goals of Fairtrade Towns include: having local council pass a resolution providing support for FT including the procurement/use of FT products, garnering support of schools, religious entities and other institutions in using FT products, involving the media to promote awareness, and putting a steering committee composed of various sectors in place to implement actions to support the Fairtrade Town's goals (Fair Trade Foundation 2012). Noteworthy, here is local council's involvement as a *vital first step* in initiating this entire effort.

The effectiveness of stakeholder involvement as a public policy is enhanced when NGOs are included in the information dissemination and decision-making process as well. NGOs are known for representing and serving societal interests and often provide information about unsustainable practices and policies to the general public, thereby garnering interest in, and support for change (Bruch 2002). Bruch (2002) emphasized the need for broad stakeholder support in advancing solutions to sustainability problems and calls for national governments and NGOs to work cooperatively toward the goals set forth in the 10-year Framework of Programs on Sustainable Consumption and Production in order to successfully address the many complicated and multifaceted issues.

Public Policy – Support of Consumer Access to Fair Trade Information

Consumers must have complete and accurate information about sustainable development issues in order to make informed decisions about the appropriate actions to take (Bruch 2002). Without access to information, consumers might not realize that a particular course of action (e.g., the purchase of FT products) is optimal in addressing a sustainability issue or problem. Consumers can access FT information via several sources, including packages/labels, mass media, organizational meetings, and the Internet. Government at all levels can, and should play a key role in supporting the availability of FT information through public policy. In fact, Krier (2007) attributes the market success of FT, at least in part, to the efforts of local, regional, national, and international public authorities. The author points to the European Parliament and some European governments as good examples of those who have supported efforts to increase public awareness about FT.

In the U.S., political reality and pragmatism could be a constraint on FT information flow. Trade can be a risky topic for democratically elected leaders; commitments to free trade and domestic employment must be delicately balanced (Hays et al. 2005). Moreover, "fair-traders" are often mistaken for "protectionists" (Ehrlich 2010). Recent research also shows that certain demographic groups (older people vs. younger people, men vs. women) have significantly different trade preferences or feelings towards protectionism (Mayda et al. 2007). Thus, considering political risk and required lobby calculations, the dissemination of fair trade information in the U.S. will likely (in the near term at least) continue to come from stakeholders

such as NGOs. For example, there is now a "Fair Trade Month" (<u>http://www.fairtradeusa.org/</u><u>fair-trade-month</u>), a Fair Trade Town movement in the U.S. (<u>http://fairtradetownsusa.org/towns/</u>), and there are even fair trade elementary school lesson plans (<u>http://www.globalexchange.org/</u><u>fairtrade/cocoa/classroom</u>). Moreover, information will continue to be disseminated from the private sector, as companies like Starbucks and Dole illustrate (<u>http://www.starbucks.com/</u><u>responsibility/sourcing/coffee; http://dolecrs.com/performance/certifications/fairtrade/</u>).

As noted above, information about fair trade products is often disseminated through labeling and packaging. Increasing numbers of companies employ value-based labeling, which is a marketing strategy that capitalizes on the fact that some consumers incorporate social, environmental, and safety considerations as well as the production method into their purchase decision. "Social" labels can be found on products that are produced in accordance to certain social goals such as poverty eradication, as is the case with Fairtrade certified products (Basu and Hicks 2008). Becchetti and Rosati (2007) noted that it is imperative to ensure that people who value the social aspects of products become aware of the benefit of looking at labels.

Energy Star serves as a good example of how government agencies can take steps to promote sustainable consumption behaviors as supported by labeling programs. Energy Star, which is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy, seeks to protect the natural environment, while assisting customers in money-saving through the use of energy-efficient products and behaviors. The Energy Star label conveys something to consumers – namely that they are contributing to the reduction of greenhouse gas emissions when they purchase these products. The U.S. government has furthered its support for this voluntary labeling program through its partnerships with 15,000 private and public sector organizations. The program has achieved great successes in terms of both energy conservation and cost savings to consumers (Energy Star – 2011 Overview). Governments can provide similar assistance for FT labeling by partnering with certifying entities such as the Fairtrade Labeling Organizations (FLO) and retailers. They can also lend support to labeling programs by supporting various promotional strategies to inform or remind consumers about the merits of FT products and by emphasizing the importance of paying attention to labels.

In addressing "changing consumption patterns", Chapter 4 of Agenda 21 discusses the value of advertising in increasing public awareness and the vital role that public policies and actions on the part of the private-sector play in the advancement of favorable attitudes toward sustainable behaviors. Chaudhuri (2002) asserted that in order to increase sustainable consumption behaviors, governments, NGOs, businesses and the media should form partnerships to enact aggressive efforts to market products produced in an environmentally- and/or socially-responsible manner (e.g., FT products).

Is there a Relationship between Awareness and Sustainable Consumption Behavior?

Sustainable consumption means consuming goods and services without causing negative impacts on people or the environment (UNESCO 2009 at www.unesco.org/en/education). Adopting a lifestyle which includes sustainable consumption behaviors is critical to eradicating poverty as well as preserving the natural resources required for all forms of life to thrive (UNESCO 2012). The UN has instituted a number of initiatives over the years that highlight the

importance of increasing consumer awareness as an important factor in increasing sustainable development and consumption behaviors. The common theme across these initiatives is the vital role of various efforts to promote formal and informal learning opportunities through sustainable development education and training for the general public. This is evidenced by the sixth target dimension of "Education for All" (1990) which is: "Increased acquisition by individuals and families of the knowledge, skills and values required for better living and sound and sustainable development, made available through all education channels, including the mass media, other forms of modern and traditional communication, and social action, with effectiveness assessed in terms of behavioral change" (UNESCO at http://www.unesco.org/education/wef/endocs/findings/globsynt.pdf, p. 12, accessed 11/4/12), as well as the Belgrade Charter (1975), Chapter 36 of Agenda 21 (1992), the JPOI (2002), and the Decade of Education for Sustainable Development (DESD) (2005-2014), to name a few.

While the relationship between consumer awareness and sustainable consumption behavior would appear to be intuitive, previous research has produced conflicting results (e.g., Joergens 2006; Ballantyne and Packer 2002; Courtenay-Hall and Rogers 2002; Maitney 2002). According to Bruch (2002) most consumers are not aware of the environmental, economic, social and other impacts of their purchasing decisions. Skanavis and Sarri (2002) suggested that people must be aware of sustainability issues and problems, as well as the optimal approaches to address them before they can adopt sustainable behaviors. According to an empirical study conducted by Becchetti and Rosati (2007) with a sample of European consumers, FT products are composed of both physical and social attributes. The authors asserted that the competitiveness of FT products versus conventional products is reliant on consumers' knowledge and awareness and consumption behavior. Becchetti and Rosati (2007) further noted that the future success of FT hinges, at least in part upon the investment in both promotion and increased consumer awareness.

RESEARCH PROPOSITIONS

The research model is depicted in Figure 1 (Appendix). It should be noted that only the highlighted constructs will be empirically tested. Based on previous research in the environmental and social sustainability literatures as well as current policies, practices, and efforts directed toward enhancing sustainable consumption behaviors, the following are proposed.

- P1: Significant differences in FT awareness will exist across the three groups of respondents.^{*} Specifically, those who report heavier use of FT information will report higher levels of FT awareness.
- P2: Significant differences in FT consumption behavior will exist across the three groups of respondents.^{**} Specifically, those who report higher levels of FT awareness will report higher levels of FT consumption behavior.
- P3: A positive, significant relationship will exist between FT information use and FT awareness.

P4: A positive, significant relationship will exist between FT awareness and FT consumption behavior.

*Study participants will be categorized by their responses to questions on FT information use. The categories will be defined as "light", "moderate", and "heavy" use of FT information. ** Study participants will also be characterized by their responses to questions on FT awareness and will be categorized as and having either "low", "moderate", or "high" levels of FT awareness.

PROPOSED METHODOLOGY AND DATA ANALYSIS

The survey, which will be developed by the researchers, will be based on a number of sustainability issues examined in the Carrigan and Attalla (2001) study. The self-administered survey will be composed of two demographic questions (gender and age); items intended to assess five different types of FT information (packaging, labeling, mass media, organizational meetings, the Internet), four items to assess the "FT awareness construct" and four items to assess the "FT consumption behavior" construct. Each variable will be measured on a 5-point Likert scale. The researchers will likely employ a convenience sample of undergraduate students. The smaller standard errors associated with a relatively homogenous sample will provide a more powerful test in a given subpopulation (Lynch 1982). Moreover, the authors feel comfortable with the convenience sample because (1) it is assumed that any potentially interacting background factors held constant in the sample will be normally distributed across the treatment groups and (2) the authors are interested in relative (not absolute) levels of response to treatment conditions (Lynch 1982).

The data will be analyzed using SPSS (Statistical Package for the Social Sciences) 21.0. In order to test P1 and P2, one-way ANOVA will be employed. ANOVA is the appropriate statistical technique when the researcher is interested in ascertaining whether statistically significant differences in means exist across three or more population groups when examining the dependent variable (Hair, et al. 1998). ANOVA is used when the dependent variable is continuous and the predictor variable or variables are categorical. In this case the predictor variables "FT information use" and "FT awareness" will be converted to categorical variables by dividing the sample into three categories based on responses to the survey items. These categories will identify respondents as light, moderate, and heavy users of the various types of FT information. Similarly, respondents will be categorized as low moderate or high with respect to FT awareness. Simple Pearson Correlations will be used to test P3 and P4.

IMPLICATIONS AND POTENTIAL FOR CONTRIBUTION

In order to promote FT information dissemination, governments can take two approaches. First, they can encourage consumers to seek out existing information on FT (i.e., promote the value of becoming educated/aware about FT). Second, on both a local and national level, government agencies can engage in social marketing for the purpose of making FT information available and most importantly, increasing FT consumption behavior. Kotler and Roberto (1989) defined social marketing as "the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behavior for the benefit of individuals, groups, or society as a whole" (p. 5). Governments can use social marketing in the

Fair Trade Awareness

forms of advertising, public service announcements, print ads and other forms of mass media to encourage consumers to check labels and seek out FT products, to join NGOs organized around FT, and to take steps to develop FairTrade Towns, as previously discussed. One marketing tool that could prove to be particularly helpful in generating awareness is the use of social media, which capitalizes on social interactions, is highly accessible and has the potential for incredibly widespread reach. Social media has proven to be high effective for the promotion of certain brands and is equally applicable to the advancement of FT as a societal issue. While consumers can currently access and share FT information via Facebook and YouTube, opportunities exist to broaden the reach via these and other social media outlets. This is particularly important in cultivating grass-roots movements to advance FT, which are often spearheaded and supported by younger people, who also tend to be the biggest users of social media.

Public policy that employs social marketing could emphasize the fact that FT products are also necessarily produced in an environmentally-friendly manner (this includes certified organic offerings). This provides an enormous opportunity for suppliers of FT products to capitalize on the steadily increasing appeal of organic products to a wider group of intermediaries and end customers. In recent years, organic food suppliers have made great strides in transcending the niche market classification and have found their way unto shelves of mass merchandisers and large grocery store chains. If social marketing is used effectively, with emphasis on the eco-friendly nature of FT products along with their socio-economic merits, there is absolutely no reason why producers of FT products should not be able to follow the successes of organic foods suppliers.

Cultivating sustainable purchase habits is of paramount importance in improving the lives of those in developing nations in economic, social and environmental terms. In this case, social marketing as a public policy would entail creating and disseminating a message that helps consumers understand how their purchase behaviors impact others and our natural environment. This might be achieved, at least in part by local and national governments taking steps to ensure widespread dissemination of FT success stories to consumers and other relevant stakeholder via traditional and electronic media and by providing financial support (via grants, perhaps) to NGOs to do the same. Disseminating information about the consequences of continued unsustainable consumption behaviors could also prove to be effective in helping people draw a connection between their consumption behaviors and social, economic, and environmental outcomes.

This paper points to examples of stakeholder involvement that successfully resulted in increased awareness of sustainable development issues and behavior change. Member States should remain cognizant of Principle 10 of the Rio Declaration and ensure that policies are put in place at the appropriate levels to facilitate stakeholder involvement. Principle 10 mentions participation of all concerned citizens in terms of both accessing information and involvement in decision-making. Individuals, groups, researchers, teachers and others interested in increasing FT consumption behavior should be encouraged to become involved. A common approach to effective policy institution is to set policy goals, implement the policy and evaluate the effectiveness of the policy. Government agencies can substantially benefit from input provided by diverse groups and individuals who bring different perspectives to the table in each of the aforementioned steps. For example, even the process of identifying the problem (e.g., what are

the impediments to increasing FT consumption behavior?) can be enhanced by involving groups and individuals with various viewpoints and experiences, that when combined provide a broader, more comprehensive understanding of the problem(s) to be addressed by the policy. Principle 10 further notes that people are entitled to access to information held by public authorities. Taken together with the call of Principle 10 for stakeholder input in decision making, this means that information flow should be bi-directional between governments and all stakeholders.

The UN made a commitment to promoting public-private partnerships for sustainable development at the WSSD (2002) in Johannesburg, South Africa and has made strides in that area. Member States as well as local government agencies should support UN goals and utilize methods to include companies representing diverse sectors in the stakeholder involvement process. This can range from idea-generation (e.g., ways to increase FT consumption behavior) to firms' contribution of resources to support increased FT awareness. The latter might entail the partnering of a public agency with a firm that possesses advertising and/or public relations expertise who can effectively disseminate the requisite information. An additional option might be a public-private partnership with a retailer or other entity operating in a FT supply chain to work collaboratively to help increase the availability, quality, or affordability of FT products; thus making them more accessible and attractive to consumers.

REFERENCES

Agenda 21, Chapter 4 – at http://www.un.org/esa/dsd/agenda21/, accessed July 26, 2009.

- Ballatyne, R. and Packer, J., 2002. Nature-based excursions: school students' perceptions of leaning in natural environments, *International Research in Geographical and Environmental Education*, 12(1): 1-19.
- Bacon, Christopher (2005), "Confronting the Coffee Crisis: Can Fair Trade, Organic, and Specialty Coffees Reduce Small-Scale Farmer Vulnerability in Northern Nicaragua?," World Development, 33 (3), 497-511.
- Basu, A. and Hicks, R., 2008. Label performance and the willingness to pay for Fair Trade coffee: a cross-national perspective, *International Journal of Consumer Studies*, 32: 470-478.
- Becchetti, L. and Rosati, F., 2007. Global Social Preferences and the Demand for Socially Responsible Products: Empirical Evidence from a Pilot Study on Fair Trade Consumers, *The World Economy*, 10: 807-836.

_____ and Costantino, M., 2008. The Effects of Fair Trade on Affiliated Producers: An Impact Analysis on Kenyan Farmers, *World Development*, 36(5): 823-842.

- Bruch, C., 2002. Engaging the Public to Promote Sustainable Consumption and Production, published in Waiting for Delivery: A Civil Society Assessment of Progress toward Sustainable Production and Consumption, A report produced for the International Coalition for Sustainable Production and Consumption, 32-35.
- Carrigan, M. and Attalla, A., 2001. The myth of the ethical consumer do ethics matter in purchase behavior? *The Journal of Consumer Marketing*, 18(7): 560-577.
- Chaudhuri, R., 2002. Advertising Reform and Sustainability: A Developing Country Perspective, published in *Waiting for Delivery: A Civil Society Assessment of Progress toward Sustainable Production and Consumption*, A report produced for the International Coalition for Sustainable Production and Consumption, 39-42.
- Courtenay-Hall, P. and Rogers, L., 2002. Gaps in Mind: problems in environmental knowledgebehaviour modeling research, *Environmental Education Research*, 8(3): 284-297.
- Ehrlich, Sean D. (2010), "The Fair Trade Challenge to Embedded Liberalism," International Studies Quarterly, 54 (4), 1013-33.

- Energy Star 2011 Overview at http://www.energystar.gov/ia/partners/publications/ pubdocs/2011_4-Pager_508c_060812.pdf?5e0d-1c59
- Fair Trade Foundation (2012), The Five Goals at <u>http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/the_5_goals.aspx</u> accessed 11-10-12.
- Fair Trade International Annual Report 2011 2012 at <u>http://www.fairtrade.net/annual_reports.html</u> accessed 10-7-12
- Fairtrade.net Minimum Price and Premium Table at http://www.fairtrade.net/fileadmin/ user_upload/content/2009/standards/documents/ 2012-10-01_EN_Fairtrade_ Minimum_Price_and_Premium_table.pdf accessed 10-4-12).
- Fairtradeusa.org Environmental Impact at <u>http://www.fairtradeusa.org/what-is-fair-</u> <u>trade/impact/environment</u> accessed 10-12-12)
- Grob A., 1995. A structural Model of Environmental Attitudes and Behavior, *Journal of Environmental Psychology*, 15(3): 209-220.
- Hair, J.; Anderson, R.; Tatham, R; and Black, W., 1998. Multivariate Data Analysis, 5th edition, Prentice-Hall: Upper Saddle River, NJ.
- Hays, Jude C., Sean D. Ehrlich, and Clint Peinhardt (2005), "Government Spending and Public Support for Trade in the OECD: An Empirical Test of the Embedded Liberalism Thesis," International Organization, 59 (2), 473-94.
- Jaffe, A.; Newell, R.; and Stavins, R., 2000. Technological Change and the Environment, *National Bureau of Economic Research*, Working Paper, 7970.
- Joergens, C., 2006. Ethical fashion: myth or future trend? *Journal of Fashion Marketing and* Management, 10(3): 360-371.
- Kogut, Bruce (1985), "Designing Global Strategies: Comparative and Competitive Value-Added Chains (Part 1)," Sloan Management Review, 26 (4), 15-28.
- Kotler, P. and Roberto, E., 1989. *Social Marketing: Strategies for Changing Public Behavior*, Free Press: New York, NY.
- Krier, J., 2007. Fair Trade 2007: New Facts and Figures from an Ongoing Success Story. A Report on FT in 33 countries. A survey prepared on behalf of the Dutch Association of Worldshops (DAWS), Netherlands, 1-160.

- Leire, C. and Thidell, A., 2005. Product-related environmental information to guide consumer purchases – a review and analysis on perceptions, understanding and use among Nordic Consumers, *Journal of Cleaner Production*, 13(10-11): 1061-1070.
- Lyon, S. 2007. Maya Coffee Farmers and Fair Trade: Assessing the Benefits and Limitations of Alternative Markets, *Culture & Agriculture*, 29(2): 100-112.
- Lyon, Sarah, Josefina Aranda Bezaury, and Tad Mutersbaugh (2010), "Gender equity in fairtrade–organic coffee producer organizations: Cases from Mesoamerica," Geoforum, 41 (1), 93-103.
- Lynch, John G., Jr. (1982), "On the External Validity of Experiments in Consumer Research," Journal of Consumer Research, 9 (3), 225-39.
- Maitney, P., 2002. Mind in the Gap: summary of research exploring "inner" influences on prosustainability learning and behavior, *Environmental Education Research*, 8(3): 299-306.
- Mayda, Anna Maria, Kevin O'Rourke, and Richard Sinnott (2007), "Risk, Government and Globalization: International Survey Evidence," Trinity College Dublin, Economics Department.
- Parrish, B.; Luzadis, V.; and Bentley, W., 2005. What Tanzania's Coffee Farmers Can Teach the World: A Performance-Based Look at the Fair Trade-Free Trade Debate, *Sustainable Development*, 13: 177-189.
- Porter, Michael E. (1986), Competition in global industries. Boston, Mass.: Harvard Business School Press.
- Raynolds, L.; Murray, D.; and Taylor, P. 2004. Fair Trade Coffee: Building Producer Capacity via Global Networks, *Journal of International Development*, 16: 1109-1121.
- Rio Declaration (Principles 5 and 8) at http://www.unep.org/Documents.Multilingual/Default.asp?documentID=78&articleID=1 163, accessed July 26, 2009.
- Ruben, Ruerd and Ricardo Fort (2012), "The Impact of Fair Trade Certification for Coffee Farmers in Peru," World Development, 40 (3), 570-82.
- Schahn, J. and Holzer, E., 1990. Studies of individual environmental concern: the role of knowledge, gender, and background variables, *Environment and Behavior*, 22: 767-786.
- Skanavis, C. and Sarri, E., 2002. The role of environmental education as a tool for environmental management in Cyprus", *Environmental Management and Health*, 13(5): 529-544.

Transfair USA at http://www.transfairusa.org/pdfs/almanac_2008.pdf, accessed July 31, 2009

UNESCO (United Nations Educational, Scientific, and Cultural Organization) at http://portal.unesco.org/education/en/ev.php URL_ID=27555&URL_DO=DO_TOPIC&URL_SECTION=201.html, accessed July 26, 2009.

- UNESCO (2012) Education for all Goals at <u>http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/education-for-all/efa-goals/</u>, accessed 11-1-12.
- United Nations Millennium Goals at http://www.un.org/millenniumgoals/, accessed October 14, 2012.
- Utting-chamorro, Karla (2005), "Does fair trade make a difference? The case of small coffee producers in Nicaragua," Development in Practice, 15 (3-4), 584-99.
- WFTO Charter of Fair Trade Principles at http://www.wfto.com/index.php?option= com_content&task= view&id=1082&Itemid=334&limit=1&limitstart=3 accessed October 14, 2012.



