

The Impact of Fair Trade: How the Exchange of Goods Links Producers and Consumers

Jessica Stanley-Asselmeier



What is Fair Trade?

- Trading Partnership
- Developed After WWII
- Billion Dollar Industry



Anthropological Research

- Economic & Development Anthropology
- Exchange of Goods and Cultural Commodities
- Previous Research



Plowsharing Crafts

- Local Non-Profit Fair Trade
- Founded in 1985
- Religiously Based
- Mission Statement
- Artisans from 45 Countries



Plowsharing Crafts' Merchandise



Plowsharing Crafts' Merchandise



Project Objectives

Does Plowsharing Crafts facilitate a relationship between Fair Trade producers and consumers?

- How does the retail profile of Madison County, IL impact the relationship between Plowsharing Crafts Fair Trade producers and consumers?
- What consumer traits affect the purchasing of Fair Trade goods at Plowsharing Crafts?
- How does Plowsharing Crafts' marketing strategies impact the relationship between Fair Trade producers and consumers?
- How does the culture of Plowsharing Crafts' influence the relationship between Fair Trade producers and consumers?

Methods

- **Participant Observation**
 - Volunteer 8 hrs/week at Plowsharing Crafts
 - January – April 2015
- **Archival Research**
- **Semi-Structured Interviews**
 - Plowsharing Crafts Owner & Manager
- **Online & Paper Survey**
 - 72 Online—General Public
 - 20 Paper—Students at SIUE
- **Limitations**
- **Ethical Considerations**



Retail Profile of Madison County, IL

- **Total Population** - 267,000
- **Median Household Income** - \$51,045
- **Median Age** – 39.3
- **Ethnicity** – 87% Caucasian, 8% African American



Retail Profile of Madison County, IL

- **Demands**

- Clothing \$73.8 Million
- Home Furnishings \$6.9 Million

- **Surplus**

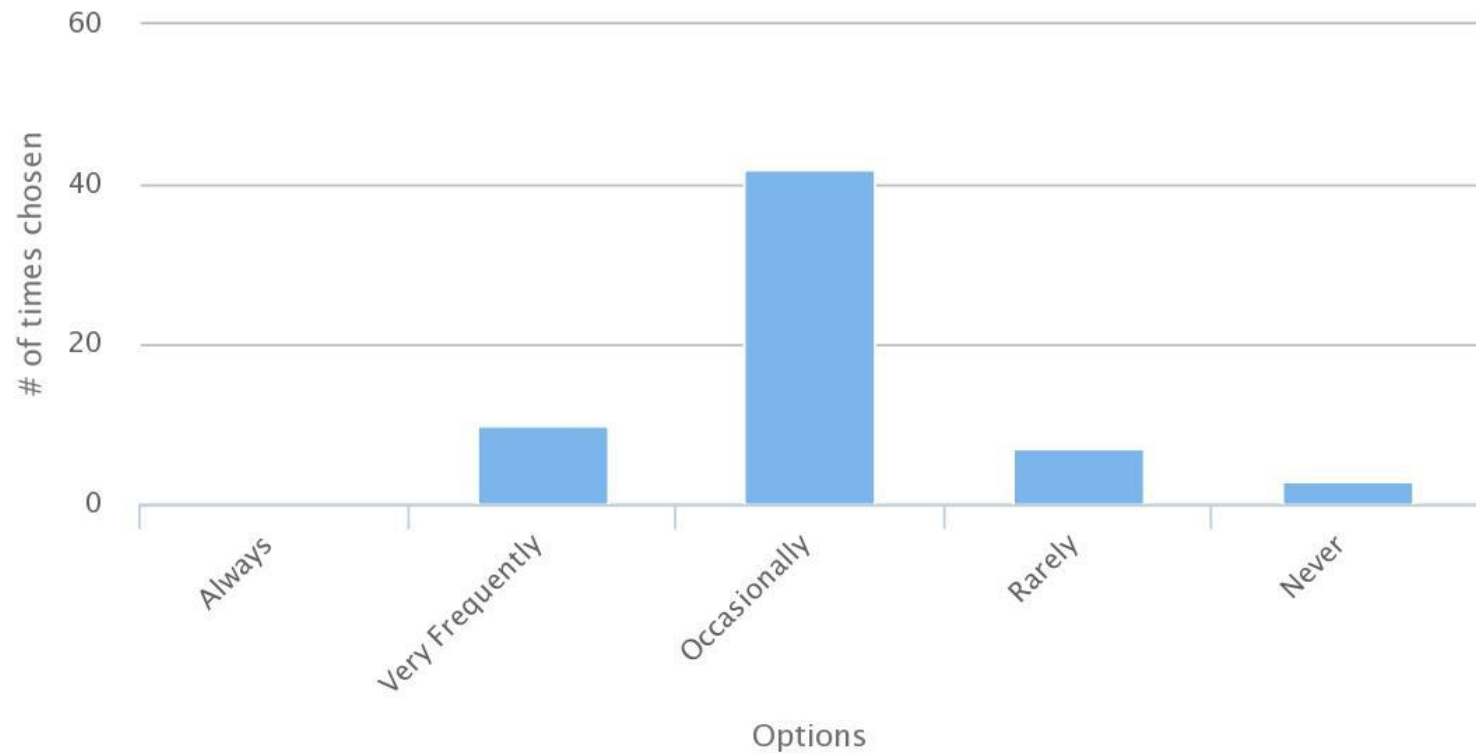
- Specialty Foods (\$2.1 Million)

- **Other Interesting Traits**

- Buying American Goods is Important 47%
- Most People Purchase Goods Based on Price Not Quality 84%
- Buy Brands That Support a Charity 35%

Frequency of Purchasing Fair Trade Products

How often do you purchase Fair Trade Products?



■ How often do you purchase Fair Trade Products?

Consumer Traits Impacting Purchases

Fair Trade Consumers (Plowshare)

- Age 18-29
- Caucasian
- Bachelor /Higher Degree
- Liberal
- No Religious Affiliation
- Coffee, Tea, and Food
- Ethically Conscious and Uniqueness of Product

Fair Trade Consumers (Non-Plowshare)

- Age 30-39
- Caucasian
- Master/Higher Degree
- Moderate
- No Religious Affiliation
- Coffee, Tea, and Food
- Ethically Conscious and Uniqueness of Product

Importance of Fair Trade Criteria

- **Fair Trade Consumers (Plowshare)**
 - Very Important
 - All Criteria
- **Fair Trade Consumers (Non- Plowshare)**
 - Very Important
 - Working Conditions
 - Rights of Children
 - Important
 - All other Criteria

FAIR TRADE PRINCIPLES

CREATE OPPORTUNITY for artisans and farmers in the Global South who live in poverty and lack access to long term, well-paying jobs. FTF members act in the interest of their producers.

DEVELOP TRANSPARENT & ACCOUNTABLE RELATIONSHIPS with artisans and farmers to ensure that they have long term jobs. Fair trade buyers and fair trade producers are honest with each other and work together to solve problems.

BUILD CAPACITY of farmers, artisans, and their communities. FTF members invest time and resources to help producers build their business and improve their communities.

PROMOTE FAIR TRADE by raising awareness about fair trade, educating customers and producers, and inspiring other businesses to adopt fair trade practices.

PAY PROMPTLY & FAIRLY and discuss prices openly and honestly, so that producers understand their costs and earn a fair wage. FTF members also offer advance payment to help cover the cost of production.

SUPPORT SAFE & EMPOWERING WORKING CONDITIONS that are healthy and free of discrimination. Producers and employees have a voice in decisions that affect them most.

ENSURE THE RIGHTS OF CHILDREN by never using exploitative child labor. FTF members support children's right to security, education, and play and respect the UN Convention on the Rights of the Child.

CULTIVATE ENVIRONMENTAL STEWARDSHIP by encouraging responsible use of resources and eco-friendly production. FTF Members reduce, reuse, reclaim, and recycle materials wherever possible.

RESPECT CULTURAL IDENTITY of farmer and artisan communities. Fair trade products and production methods reflect the history and traditions of artisans and farmers in the Global South.



Fair Trade Related Statements

Fair Trade Consumers (Plowshare)

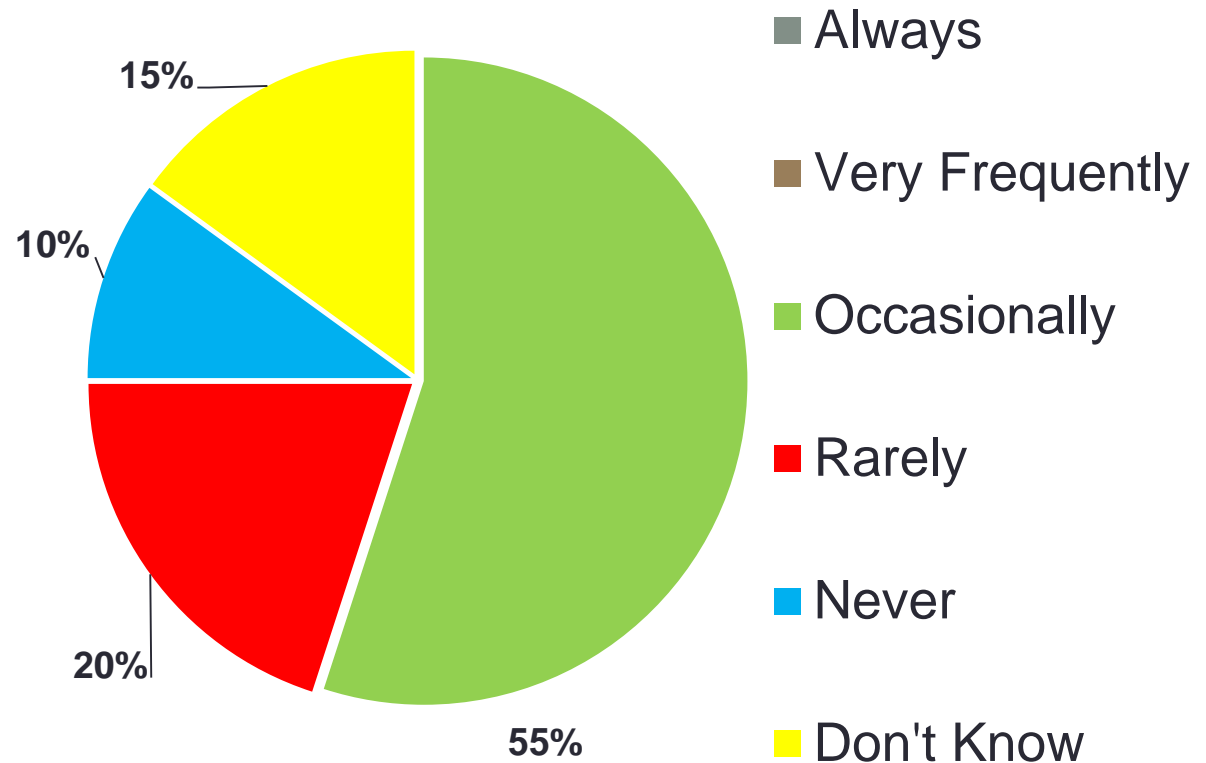
- Like to be associated with Fair Trade
- Believes their purchase helps a bigger cause
- Wants more awareness of Fair Trade in the community
- Like the originality of Fair Trade products

Fair Trade Consumers (Non-Plowshare)

- Not as engaged in Fair Trade
- Do not see the promotion of Fair Trade in the community
- They do not discuss Fair Trade with others
- They do want to learn more about Fair Trade

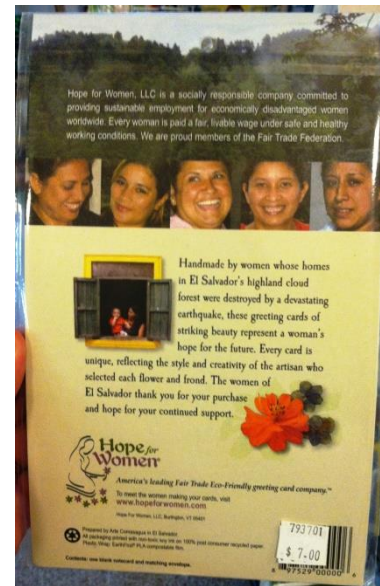
Key Student Survey Findings

- All students wanted to learn more about Fair Trade
- All students would support a Fair Trade organization at SIUE



Marketing Strategies Linking Producer and Consumer

- Fair Trade Logo
- Origin of Product
- Price
- Quality
- Uniqueness
- Name/Story of Producer
- Information about Product



Marketing Strategies

Linking Producer and Consumer

- **Fair Trade Consumers (Plowshare)**

- Care most about the uniqueness of product
- Care least about the name or story of the producer

- **Fair Trade Consumers (Non-Plowshare)**

- Care most about quality
- Care least about the name or story of the producer



Culture of Store

Non-Profit Mission vs Business

- They are passionate about their mission.
- They utilize volunteers heavily.
- Consumer needs impact the inventory of the store.
- Minimal promotion within community, except within certain religious institutions.



Research Conclusions

Does Plowsharing Crafts facilitate a relationship between Fair Trade producers and consumers?

- A market exists in Madison County, IL for certain Fair Trade products.
- A younger, more liberal consumer base favors purchasing Fair Trade Goods at Plowsharing Crafts; consumers tend to lack religious affiliation.
- People that purchase at Plowsharing Crafts do so because of the uniqueness of the product, not because of the information about the producer.
- A struggle exists between fulfilling the non-profit mission and implementing the necessary strategies for a successful business.
- Thus, the relationship between producers and consumers is limited at best and non-existent at worst at Plowsharing Crafts.

Recommendations for Plowsharing Crafts

- Increase involvement within the community
 - Engage SIUE students
 - More active in civic events
 - Participate with local Chamber of Commerce
- Training program for volunteers
- Create an ambassador program
- Partner with local artisans and businesses
- Proactive with website and social media

Bibliography

- <http://shop.mustardseedfairtrade.org/pages/how-it-works>
- <http://www.tenthousandvillages.com/find-artisan>
- <http://www.downtownharrisonburg.org/blog/detail/fair-trade-world>
- <http://www.fairtradefederation.org/posters-and-brochures/>
- <http://www.plowsharing.org/articles.asp?ID=252>
- <http://www.plowsharing.org/articles.asp?ID=250>
- <http://www.onfulfillment.com/FairTradeUSAPublic/Category.aspx?d=17&sid=324>
- <http://www.plowsharing.org/articles.asp?ID=251>
- http://en.wikipedia.org/wiki/Greater_St._Louis
- [http://www2.locationone.com/\(S\(3wo4ac452ho0y2450134kfed\)\)/StateMainPage.aspx?source=handler&type=state&profileid=IL-Madison%20County&appsection=community](http://www2.locationone.com/(S(3wo4ac452ho0y2450134kfed))/StateMainPage.aspx?source=handler&type=state&profileid=IL-Madison%20County&appsection=community)