

ACHIEVING SUSTAINABLE DEVELOPMENT: THE ORGANIC AND THE FAIRTRADE INITIATIVES

Sorina Costache*

Abstract

Achieving sustainable development can only be possible if drastic changes are made at most levels. Consumer habits are not the only aspect that needs to change, even though this is pretty hard as it is. People's views on economy, society and politics need to change as well. Sustainable development is a simple concept, at first glance, but in reality it is highly complex. At the present time it is basically impossible to imagine a truly sustainable society since almost everything needs to change, starting with ourselves.

A new "dialogue culture" is needed in order to elaborate and implement the objectives of sustainable development, a dialogue between the political and social decision makers and common people, groups and non-profit organizations.

The idea of sustainability takes us towards civil participation and, in the end, towards a modernization of democracy, because now it is no longer a question of participation in activities initiated at the political or administrative levels, but a conscious, responsible participation, a "council on common affairs" (Aristotle).

Keywords: sustainable development, sustainable agriculture, fair trade

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1. Changes for a sustainable development

Achieving sustainable development can only be possible if drastic changes are made at most levels. Consumer habits are not the only aspect that needs to change, even though this is pretty hard as it is. People's views on economy, society and politics need to change as well. Sustainable development is a simple concept, at first glance, but in reality it is highly complex. At the present time it is basically impossible to imagine a truly sustainable society since almost everything needs to change, starting with ourselves.

Regarding the economy, new management types need to be introduced, which should take into account to a higher extent nature as a production factor. The steps towards a sustainable development need to be agreed upon at the international level if we are to ensure the highest level possible of agreement.

In the social domain, brand new approaches regarding the principle and practice of equitable distribution need to be implemented. Three arguments support this idea: to begin with, since the concept of sustainable development first appeared in the

* Sorina Costache is a Teaching Assistant in International Trade at the Romanian-American University in Bucharest

political discourse of development, the distribution of development chances in the complex North-South dynamic are the first to be affected. Secondly, one must take into account the extent to which an ecological modernisation of society will be tolerated, which does not only bring about new chances, but very new problems as well. How can one guarantee that life, work and consumption possibilities will be justly distributed? To the last two problems mentioned above, a so-called “intergenerative equitable distribution” must be added. The interests of future generations must be protected when dealing with the distribution of present chances, which implies that society must accept that the present is nothing more than the past of our future, when making decision about its chances.

Another extremely important issue is our disposability, the society's and the economy's when it comes to accept these changes in our production and consumption behaviour, and why not, our very life style. The most important changes though must occur in the political domain.

Since the very formulation of the sustainable development's objectives, the political system, programmed for a short term, interested in an increase in the standard of living because its chances of reelection depended on it, is highly over-solicited. The implementation of these objectives underlines the growing need for politics to change, since the new emerging values and life styles cannot be regulated at the political or the administrative level. Only through good communication can change take place. Thus, in order to implement the concept of sustainable development a consensus has been reached that acknowledges the necessity of higher citizen participation.

A new “dialogue culture” is needed in order to elaborate and implement the objectives of sustainable development, a dialogue between the political and social decision makers and common people, groups and non-profit organizations.

The sustainable policy needs every single one of us to think without egoism what it is exactly that we can achieve if our personal interests coincided with those of our community. The idea of sustainability takes us towards civil participation and, in the end, towards a modernisation of democracy, because now it is no longer a question of participation in activities initiated at the political or administrative levels, but a conscious, responsible participation, a “council on common affairs” (Aristotle).

“What can I do?” is often the resigned reaction when being confronted with news about climate change or world poverty. But the truth is that we can do something, because sustainability does not only include the global or the local level. The most important level is the individual level, where things begin to change.

2. Sustainable Agriculture

The organic sector is developing at a fast pace in the EU. At farm level the rates of growth are rather impressive: areas have increased by 6.5% per year on average in the EU-27 in the period 2000-2008, animal numbers have increased by the range of 6.1- 22.2% annually in the EU-15 depending on species groups. The organic sector represents a total area of 7.7 mio ha with almost 190 000 holdings in 2008. What is remarkable is that most of the growth of the sector has taken place in the last 15

years, with the area multiplied by eight in the period 1993-2008 and the number of holdings by a factor of 6. Yet absolute levels stay modest since the organic sector still represents only 4.3% of the total UAA of the EU and between 0.5 and 5.0% of total numbers of animal according to the species. Organic holdings would represent a mere 1.4% of all EU holdings (2.8% in the EU-15).

Table 12. Number of organic producers in the EU

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Austria	9,713	13,321	18,542	19,433	19,996	20,316	18,768	18,388	18,262	18,576	19,674	20,277	20,321	20,182	19,967	20,102
Belgium	100	168	193	228	317	480	577	624	697	713	671	659	720	774	825	869
Bulgaria					1	1	2								158	240
Cyprus								15	30	45	45	150	305	300		
Czech Republic	141	187	176	168	203	306	473	563	654	721	832	842	835	963	1,314	1,842
Denmark	640	676	1,050	1,166	1,617	2,228	3,069	3,466	3,525	3,714	3,510	3,166	3,036	2,794	2,841	2,753
Estonia	50	60	119	100	70	76	89	230	369	583	764	810	1,016	1,176	1,220	1,259
Finland	1,599	1,818	2,793	4,452	4,458	4,984	5,197	5,225	4,983	5,171	5,074	4,960	4,631	4,029	4,041	3,991
France	3,231	3,556	3,538	3,854	4,935	6,233	8,668	8,985	10,364	11,288	11,359	11,059	11,402	11,640	11,978	13,298
Germany	5,091	5,866	6,642	7,353	8,184	8,184	10,425	12,740	14,703	15,627	16,476	16,603	17,020	17,557	18,703	19,813
Greece	165	469	598	1,065	2,523	4,183	4,923	5,343	6,710	5,964	6,186	9,282	15,969	23,890	23,781	24,657
Hungary	67	73	108	127	161	330	451	571	764	995	1,290	1,420	1,553	1,600	1,612	1,614
Ireland	238	198	378	666	808	762	972	852	918	919	786	840	657	1,068	1,140	1,185
Italy	4,656	8,597	10,630	17,279	30,701	38,616	47,705	52,796	56,199	51,118	43,928	36,955	44,860	45,115	45,221	44,371
Latvia					39	63	80	219	352	550	1,043	2,873	4,095	4,005	4,108	4,203
Lithuania					106	144	171	210	293	393	700	1,178	1,802	2,338	2,823	2,797
Luxembourg	12	12	19	20	23	26	28	31	49	53	59	66	74	72		
Malta								3	20	6	6	1	6	10		
Netherlands	455	512	561	656	746	835	1,004	1,129	1,219	1,500	1,448	1,383	1,377	1,362	1,374	1,402
Poland	180	246	263	236	324	417	555	1,419	1,787	1,977	2,288	3,760	7,183	9,187	12,000	15,206
Portugal	73	234	349	240	278	542	740	745	938	1,093	1,145	1,379	1,577	1,696	1,949	
Romania								72	109	143	207			3,367	3,193	2,775
Slovenia	20	25	30	35	40	41	343	620	883	1,150	1,421	1,555	1,724	1,953	2,063	2,142
Slovakia	40	41	34	45	46	81	69	88	82	80	88	117	196	285	280	350
Spain	753	909	1,042	2,161	3,526	7,362	11,812	13,394	15,607	16,521	17,028	16,013	15,261	16,645	18,096	21,255
Sweden	1,507	1,695	2,473	2,741	2,833	3,027	3,540	3,626	5,268	3,665	3,562	4,726	3,019	2,893	2,848	3,686
United Kingdom	655	715	828	885	1,026	1,462	2,538	3,563	4,049	4,104	4,012	4,321	4,263	4,639	5,506	5,383
EU-12								3,878	5,221	6,461	8,242			25,412	29,700	32,700
EU-15	28,948	38,746	49,606	62,209	81,971	100,280	119,996	130,905	143,521	140,086	134,918	131,689	144,187	154,326	158,400	164,200
EU-27								134,783	148,742	146,547	143,180			179,738	187,500	196,500

Sources:

Eurostat data (white cells, 2008 provisional)

*Registered producers only for Lithuania (2003-2008), Romania (2006-2008)

Figure 1. Number of organic producers in the EU.

Source: Eurostat.

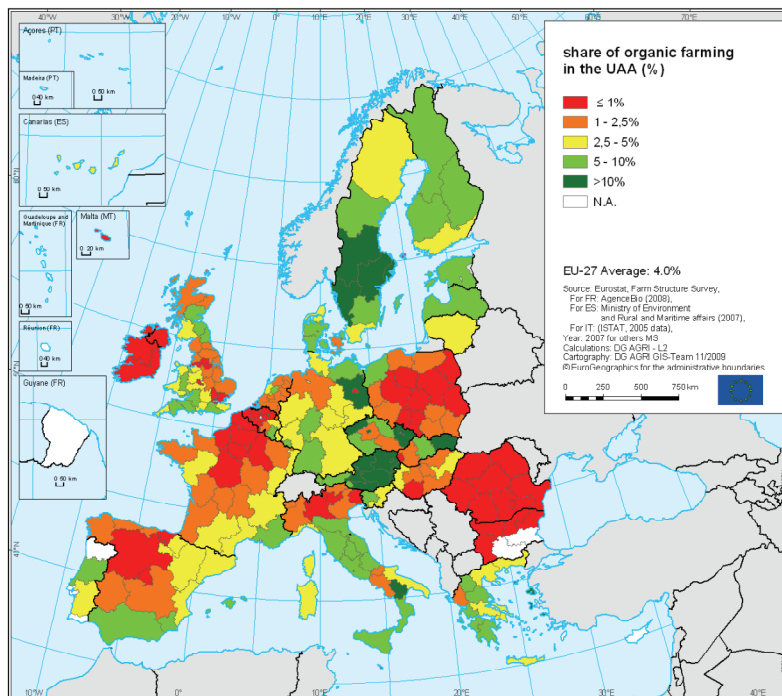


Figure 2. Share of organic farming in the UAA (%).

Source: Eurostat.

3. Sustainable Consumption

Table 8. *Significance of the organic sector in food consumption (household food purchases in the EU¹⁸, 2006 or 2007)*

		Organic food expenses mio €	Share in total food expenses %	Organic food expense per capita €
Belgium	2007	283	1,3	26,6
Bulgaria	2006	1	0,0	0,1
Czech Republic	2007	52	0,5	5,0
Denmark	2006	434	3,8	79,8
Germany	2007	5.300	3,7	64,4
Greece	2006	60	0,2	5,4
Spain	2007	200	0,2	4,5
France	2007	2.069	1,4	32,4
Italy	2007	1.387	1,0	21,4
Cyprus	2006	2	0,1	1,9
Luxembourg	2006	41	3,7	86,4
Hungary	2006	20	0,2	2,0
Netherlands	2007	519	1,8	31,7
Austria	2007	739	4,8	89,0
Poland	2006	50	0,1	1,3
Portugal	2006	70	0,4	6,6
Romania	2006	2	0,0	0,1
Slovenia	2006	4	0,2	2,0
Finland	2006	65	0,6	12,3
Sweden	2006	379	2,2	41,7
United Kingdom	2007	2.835	2,7	41,9
EU-15		14.381	1,9	35,9

Sources: Eurostat for household food expenditures and population
IFOAM (2008) or ORA (2008) for organic food market
Italy: ACNielsen, Assobio and FederBio

Figure 3. Significance of the organic sector in food consumption (household food purchases in the EU, 2006 or 2007) Source: Eurostat.

One part of the dynamics of development of the sector can be attributed to the pulling effect of a robust demand for food organic products. Another part appears to be linked to the support which is provided to it through the Common Agricultural Policy of the EU and especially through dedicated Rural Development measures (agri-environment payments). Regarding the first Pillar of the CAP, it is necessary to stress that CAP reforms have gradually put the two types of farming on equal footing since the early 1990s.

The economic recession of 2009 may have affected strongly the growth of demand for organic products, although data are available only for few Member States. Whereas organic food consumption has been affected strongly in the United Kingdom (decline by 13.6%), it would have shown better resilience in Germany, France and Italy where it remained stable (Germany) or continued growing (France and Italy). Overall, organic food consumption appears robust and is likely to resume (or accelerate) growth when the economic crisis will be terminated. The organic

sector is now extending beyond a mere "niche agriculture" and reaching a certain critical mass.

4. Fairtrade

Fairtrade is a complex trading partnership which seeks greater equity in international trade by creating closer relationships between the consumers and the producers from the geopolitical North and South. From its shy beginnings as an alternative means of selling craftwork in charity shops, Fairtrade products have become highly accessible to the consumers in Europe and the United States.

While sales remain fairly low in global terms, the growth of the Fairtrade market has been phenomenal: in 2008, global Fairtrade sales reached 2.9 billion euros, growing at a rate of 22% per annum. In 2009, this percentage reached 37% and by 2010 4.36 billion euros were spent on Fairtrade products. The Fairtrade market occupies between 0.5-5% of all sales in Europe and the United States. By 2010, over 1.5 million disadvantaged producers were directly benefiting from Fairtrade, while an additional 5 million were enjoying the fruits of infrastructure and development projects financed through the Fairtrade system.

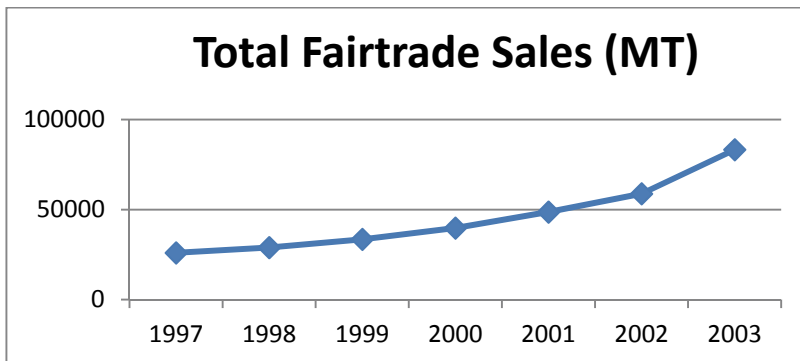


Figure 4. Total Fairtrade sales (metric tonnes).

Source: www.fairtrade.net, annual reports.

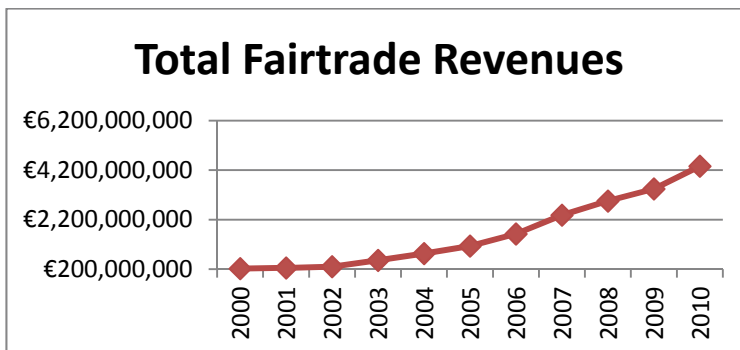


Figure 5. Total Fairtrade revenues (euros).

Source: www.fairtrade.net, annual reports.

In order to make these possible, Fairtrade has incorporated a dynamic series of products, standards and certification systems, new actors, new political and organizing alliances and more and more complex governmental arrangements.

The principles of Fairtrade are very simple: the farmers receive for their products fair prices, a function of international market prices. Thus responsible business can be conducted, while those living and working in developing countries can have food security and a decent standard of living in the long run. Consumer of Fairtrade products receive in return tasty products of good quality. These products are exported in a direct and controlled manner by the developing countries mostly to the developed ones, bearing the FAIRTRADE certification that guarantees its origins. Consumers that decide to purchase Fairtrade products are socially responsible, contributing personally and actively to a more equitable world.

Fairtrade revolves around efficient cooperation which is guaranteed to have a positive effect on all those that are involved in it. These participants are the following:

- The farmers and their families, since through Fairtrade they can ensure their very existence and plan their future. The farmers' cooperatives receive in return a premium for social and ecological development, which they use in order to get access to potable water, basic medicine and education etc. Most of the times only through the Fairtrade system was the leap towards ecological farming made possible.

- The workers on the plantations, because Fairtrade makes it possible for them to enjoy decent standards of work and living, a relationship with their employers lawfully regulated by work contracts which include minimum wages, legal work standards, labor protection in order to avoid poisoning with dangerous chemicals used in agriculture, the banishment of labor exploitation and providing a minimum access to medicine, all of which are not the norm in developing countries of the South.

- The consumers, which can thus enjoy qualitative goods produced by natural cultivation. Fairtrade guarantees the origin and controls the exports of FAIRTRADE goods, which come from very limited territorial structures. These products are permanently cared for, this being the main reason for their high quality. Consumers, apart from having access to the good quality products, also act responsibly when choosing a Fairtrade product over another, non-Fairtrade one. If only ten consumers from developed countries opted for FAIRTRADE coffee, a whole family from the South could achieve food security and thus survive.

- Nature, because FAIRTRADE products are traditionally cultivated, respecting the principles of sustainable development: by mixing cultures with other plants for personal use, by planting trees that offer shade, by reducing the use of chemical substances in agriculture, through the use of natural fertilizers and reducing soil erosion. In addition, residues are avoided or ecologically treated. The rain forest and natural water supplies are thus protected. All these efforts have positive effects

on our ecosystems, being of great importance to those of us living in the developed world.

- The children living in the southern hemisphere, because child labor exploitation is illegal, while their families' revenues benefit from the Fairtrade system. A certain part of the FAIRTRADE premiums is used for the construction of new schools for these very children.

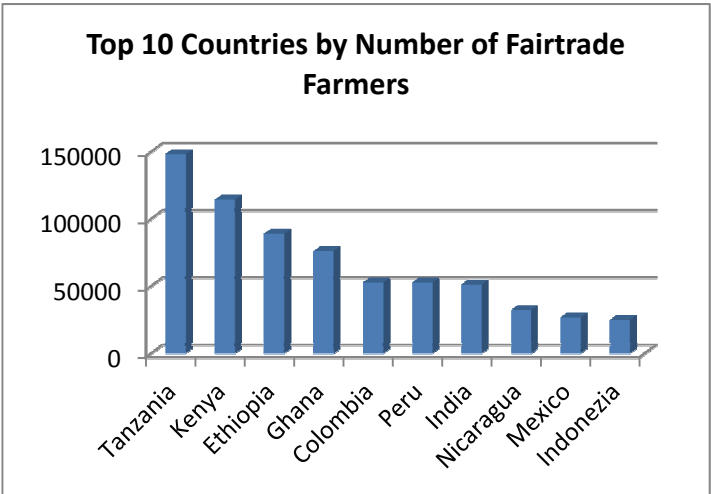


Figure 6. Top 10 countries by number of Fairtrade farmers.
Source: www.fairtrade.net, annual reports.

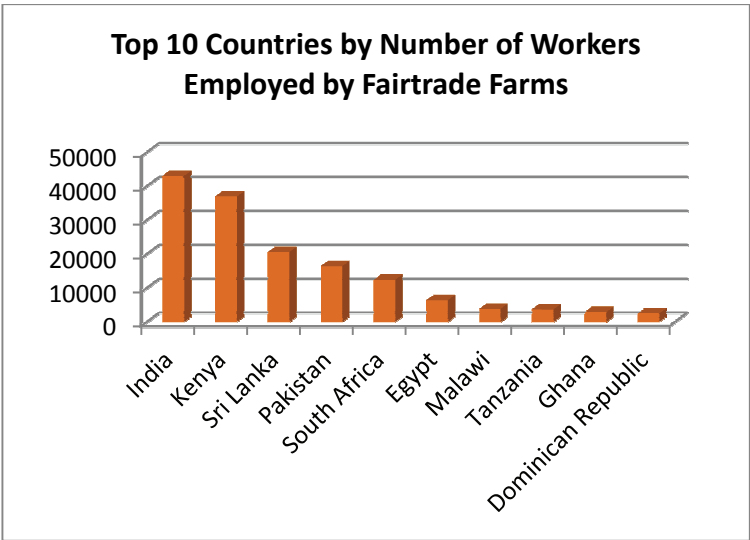


Figure 7. Top 10 countries by number of workers employed by Fairtrade farms.
Source: www.fairtrade.net, annual reports.

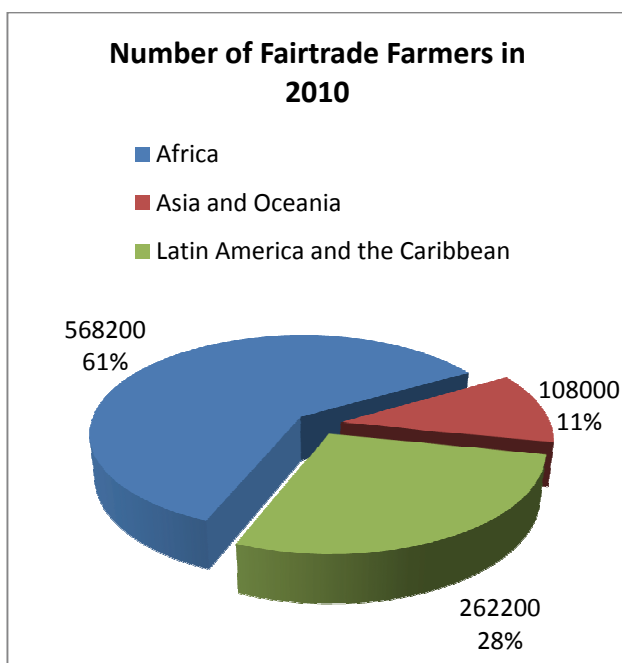


Figure 8. Number of Fairtrade farmers in 2010.
Source: www.fairtrade.net, annual reports.

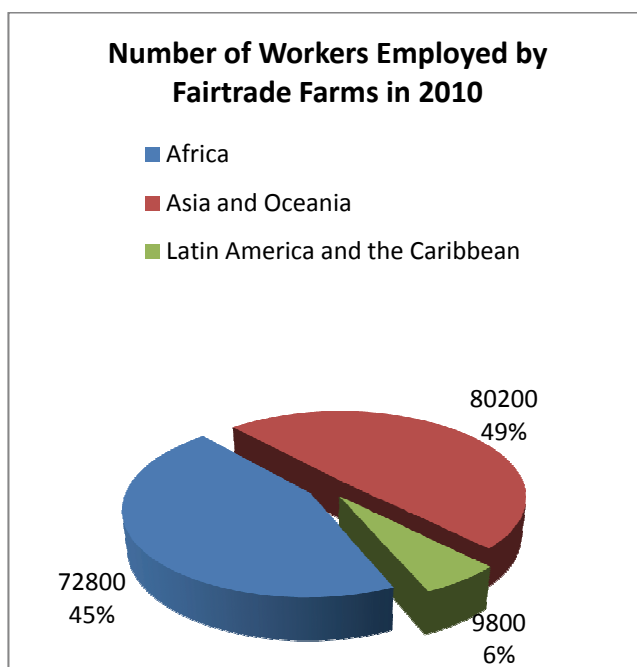


Figure 9. Number of workers employed by Fairtrade farms in 2010.
Source: www.fairtrade.net, annual reports.

There are several raw materials that have the FAIRTRADE logo: coffee, tea, chocolate, honey, bananas, sugar and rice. In the following section we will exemplify the case of coffee in order to better explain how the above principles are put into practice.

The fall of coffee prices on the international market, beginning with the year of 1999, threw into poverty hundreds of thousands of people, especially in the South. The most afflicted were farmers and their families, who experienced a bitter life crisis. A way out of this crisis was presented by Fairtrade. Farmers receive almost double for their FAIRTRADE coffee than the international price level. FAIRTRADE prices are not estimated solely according to the international prices, but also in accordance to the purchase power of the farmers, enabling them to have a decent standard of living. In 1997, a quintal of coffee (45,4 kg) was priced at 189 USD, while in 2003 the price plummeted to approximately 64 USD. The minimum price for FAIRTRADE coffee is 121 USD per quintal. If the international price surpassed the minimum imposed price of FAIRTRADE coffee, this will then change in accordance. In addition to this, 5 USD will be added to each FAIRTRADE quintal of coffee, a sum that is destined for sustainable development projects implemented by the coffee producers. This premium is usually used for social or ecological development projects, such as building a new school or teaching farmers new, ecological farming practices.

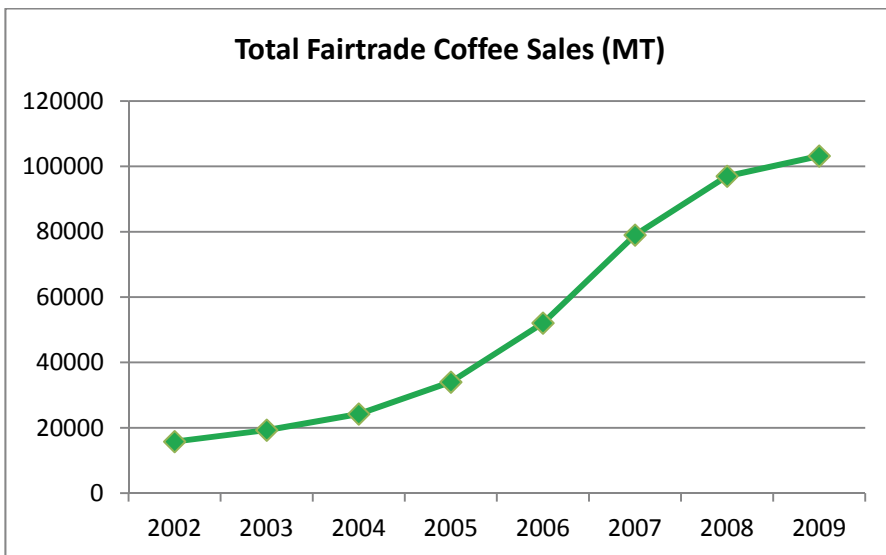


Figure 10. Total Fairtrade coffee sales (metric tonnes).

Source: www.fairtrade.net, annual reports.

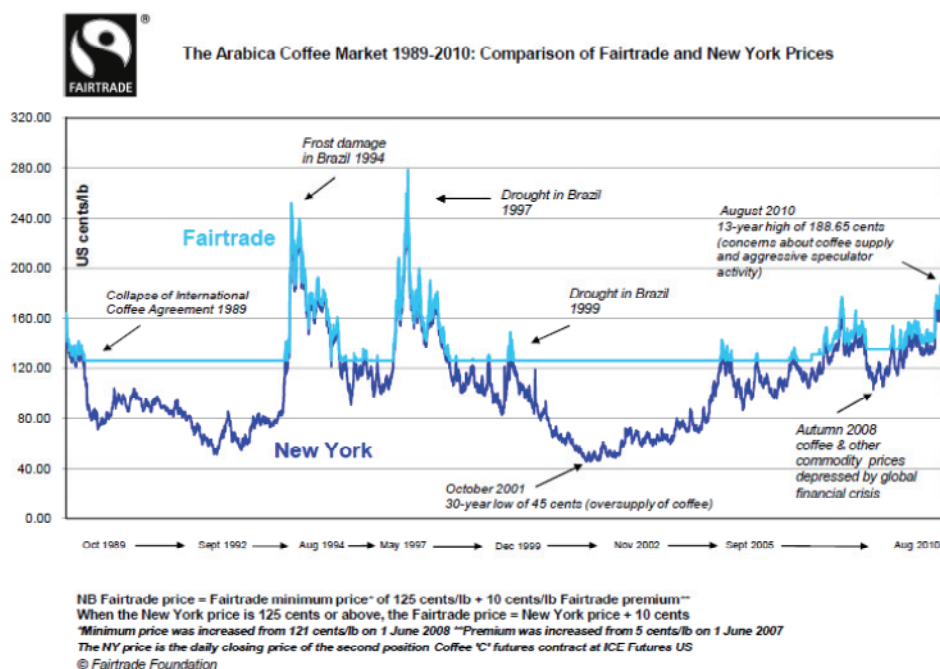


Figure 11. The Arabica coffee market 1989-2010: Comparison of Fairtrade and New York Prices.

Source: Fairtrade Foundation.

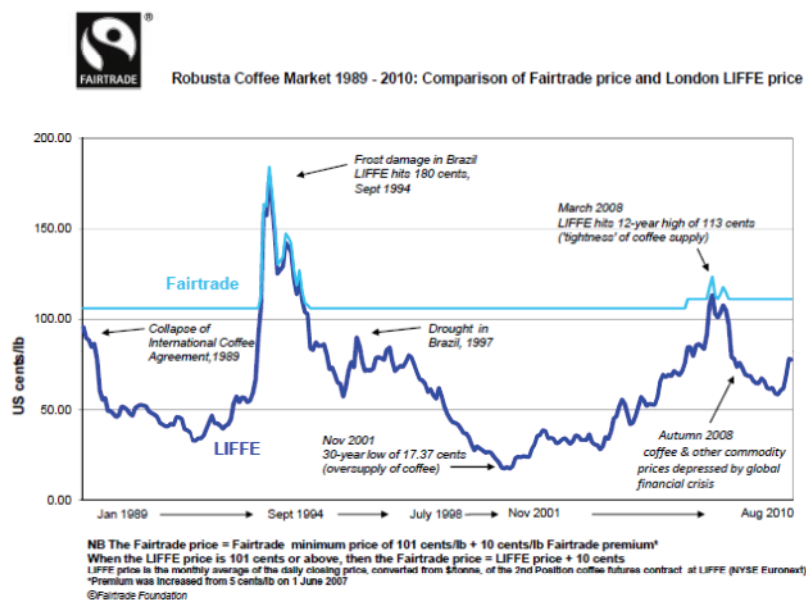


Figure 12. The Robusta coffee market 1989-2010: Comparison of Fairtrade and London LIFFE price.

Source: Fairtrade Foundation.

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