Chapter 7

Fair Trade and Ethical Consumerism: A Complementary Perspective

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ABSTRACT

Fair trade is directed toward enhancing the satisfaction of stakeholders (i.e., producers, employees, consumers, environmental interest groups, and others). Ethical consumerism employs fair trade to fulfill different objectives related to consumers, environmental, and human resources issues. Fair trade can uphold ethical consumerism as well. This chapter attempts to highlight the interwoven relationship between fair trade and ethical consumerism. The chapter argues that ethical consumerism and fair trade are inseparable. Benefits and beneficiaries of ethical consumerism and fair-trade overlap. Gender issues reflecting women’s work and employment are discussed as a reflection of fair trade. Policy recommendations on gender issues are stated at the end of the chapter.

INTRODUCTION

Trade is widely viewed as a catalyst for economic growth and sustainable development, it has been one of the key transformational forces of our time, often associated with creating major opportunities for poverty reduction.

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Fair trade is a change agent, it promotes a new way of being, and it works because it is about involving people throughout the whole system in deciding on and making this change. It is a global movement made up of a diverse network of producers, companies, shoppers, advocates, and organizations putting people and planet first, its expansion often improves women’s formal employment opportunities due to the increase in labour intensive exports from developing countries. Fair trade empowers people to make choices for the good of themselves and their community, regardless of gender, status, position in society, or position on the globe. Fair trade appears to offer a promising way for producers and consumers to challenge conventional market mechanisms.

The fair-trade symbol is displayed on the packaging, certifying that the production and marketing processes respect fair trade standards. The label is additional to other labelling information requirements, such as quality classification and origin, which are governed by the normal statutory rules. By buying products carrying a fair-trade label the customer can help improve the living and working conditions of producers in developing countries.

This chapter examines the issue of fair trade in relation to ethical consumerism, both issues are contemporary and relatively complex. Ethical culture leading to ethical consumerism can increase profit and trade is argued to induce economic growth and sustainable development. The purpose of this chapter is to illustrate the interwoven relationship between fair trade and ethical consumerism. The second section discusses the concepts of ethical consumerism and fair trade in an attempt to highlight similarities and differences. Benefits and barriers of ethical consumerism and fair trade are examined in section three. Section four discusses fair trade as a challenge to unfair global trading relations and investigates roles of Fair Trade Organization and World Fair Trade Organization. Women and fair trade are considered in section five. Finally, the chapter concludes and discusses the policy recommendations.

CONCEPTS OF FAIR TRADE AND ETHICAL CONSUMERISM

This section elaborates on the definitions of fair trade and ethical consumerism. The purpose of this elaboration is to highlight similarities and interwoven nature of fair trade and ethical consumerism.

Concepts of Fair Trade

The most commonly cited definition of fair trade comes from the European Fair-Trade Association (2006), which notes the following:
A Success Framework to Investigate Critical Factors Associated with Implementation of Customer Relationship Management: A Fuzzy ANP Approach
www.igi-global.com/article/success-framework-investigate-critical-factors/54032?camid=4v1a

Ethics, Neuromarketing and Marketing Research With Children
www.igi-global.com/article/ethics-neuromarketing-marketing-research-children/203591?camid=4v1a