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Andersson, Vibeke

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Fair trade – or not?
A discussion of environmental sustainability and changing social relations in fair trade development projects.
Vibeke Andersson, Associate Professor, Ph.D. Development Studies, Aalborg University, Denmark.


Abstract
The demand for ecological and fair trade products is currently on the rise by consumers globally. This has created a growing interest within developing countries for producing agricultural products which meet the standards for ecological and fair trade products. Basically this seems to be a positive development which will improve environmental sustainability both at local level and globally as poor peasants get the opportunity to export ecological products to markets in the West. The idea of introducing fair trade and production of ecological products in developing countries is also corresponding to neo-liberal ideas of producing export goods for the international markets. This paper poses the question whether fair trade is always appropriate development praxis at local level - in this case in communities in the highlands (altiplano) of Bolivia. In the studied area the communities have altered their production of quinoa from the traditional to a refined type of quinoa – the ‘quinoa real’ – which meets the demands of ecological and fair trade standards. This product can be sold at a very good price at the international markets and is in high demand by consumers in the West. Western and Bolivian NGOs have facilitated the process of obtaining the certification for ecological products and the contact to fair trade organisations very successfully. The ‘quinoa real’ is
now exported to many countries and is obtaining a very good price on international markets. This encourages more peasants at the local level to include more land for the production of this specific type of quinoa. The fertile lands at the altiplano are very delicate. Not many plants can grow at these heights. Historically the peasants have divided their agricultural production between different types of agricultural production: potatoes, quinoa and herds of llamas and sheep. Llamas and sheep need pasture lands. These areas are slowly being included for production of ‘quinoa real’. This creates tensions at the local level between peasants producing different types of agricultural goods. Another problem directly linked to the production of quinoa real to western markets is that nutrition at the local level has deteriorated. Because ‘quinoa real’ can obtain such a good price at the export markets, local people no longer use as much quinoa in their daily diet, since production has been changed from producing quinoa for daily use to producing ‘quinoa real’ for export. Quinoa is a very healthy foodstuff. It is now replaced locally in the villages by white rice or pasta, which can be purchased very cheap in local shops. But rice and pasta do have the same high nutritional potential like the quinoa has. Furthermore the inclusion of more pasture land for cultivation of quinoa is changing the delicate ecosystem of some parts of the altiplano creating risks for environmental sustainability in some areas. The key problem which will be analysed is whether the green politics and care for nature and health which creates demand for healthy, ecological and fair trade products in fact are creating social instability, malnutrition and ecological problems at local level in the areas in developing countries which produce for the ‘green markets’.

**Introduction**

“Our lamas do not have enough pasture grounds. Every spare piece of land is included for the production of Quinoa Real”. Talking to villagers in the Southern Altiplano of Bolivia, this is a common complaint one hear.
In Europe and the United States consumers have discovered ‘the supergrain of the Incas’: Quinoa. Quinoa has a lot of nutritional qualities and quinoa producers from the Andean area has entered into ecological and fair trade agreements with European and American companies. The export of Quinoa from the Andes region in South America to consumer markets in the United States and Europe primarily has meant new opportunities and has generated new income to the quinoa producers in for example the Bolivian Altiplano. This is a positive development but it is not without challenges. On the local level the export instigate changes in local production patterns and social patterns. It also challenges vulnerable ecosystems in this delicate part of the Andes. So even though the growing quinoa export can be seen as a success from a (short sighted) economic perspective, the increase in quinoa production has also profound effects on other parts of society on local level.

The aim of this paper is to discuss various themes within relations between fair trade, ecological sustainability, changing social organisation in rural Bolivia and the role of NGOs, state and consumers. These are broad themes, but they connect on the local level in the Southern Bolivian Andes, where peasants are changing systems of agriculture as a consequence of the introduction of quinoa export on the world markets. This successful export has created many effects on the local level, which this paper tries to unfold.

**Background:**

The majority of the Bolivian population is indigenous\(^1\). Due to marginalisation and racism (Urban & Sherzer, 1991, Van Cott, 2005), indigenous people have historically had almost no political power in the Bolivian society. After the revolution in 1952, where the MNR (Movimiento Nacional Revolucionario) came to power, the unions have played an important role in Bolivian society,

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\(^1\) Indigenous people are the original inhabitants of Latin America. Around 65% of the Bolivia population are indigenous (Van Cott, 1994)
especially the union for the workers in the mines gained strong political influence. Traditionally the larger part of the Bolivian population has inhabited the high plateau – the “Altiplano”, which is situated in between two Andean mountain ranges. The reason why a larger part of the population has lived here is displacement due to different “invasions” of their original territories since the times of the Incas. The more systematic displacements of the indigenous population was initiated by the Spanish conquerors in their “reducciones”, where the Spanish colonial administration moved people away from their traditional villages, organised in ayllus, and into towns located around newly established haciendas, which were in need of workers. Many indigenous people thus became landless slave workers on the big haciendas owned by the Spanish conquerors and their descendants. The ayllus used to have territory in different ecological zones but now this was split up. Having plots of land in the high plateau, the valleys and the tropical lowlands, secured the members of the ayllus many different products: potatoes and quinoa from the high plateau, wheat, cotton and corn from the valleys and tropical fruits from the lowlands. The ayllus persisted after the reducciones, but now they were only having territory at the altiplano, which excluded them from growing the diverse products in the different ecological zones, and also it altered the social organisation, which was tying together the extended ayllu. Nevertheless the social organisation connected to the technology of cultivating the land commonly in the high plateau persisted. A large part of the indigenous population continued to live in the altiplano while other parts of the lower areas of Bolivia were sparsely populated. Being members of a social organisation also strengthened the indigenous population internally, and organising and uniting has been a trend in the Bolivian social movements over the centuries.

After the 1952 revolution organising in unions became common since to be granted a piece of land after the land reform, a person had to be member of the peasant union. In the cities workers formed

2 Ayllus are social organisations related to cultivation of land
unions and the mine worker union gained great power within the central workers union, COB (Central Obrera Boliviana). This power diminished after 1982 when Bolivia’s economic problems increased due to a fall of tin prices on the world market. Tin was Bolivia’s main export good. In 1985 then President Paz Estensorro introduced law number 21060 (structural adjustment program). This opened the process of the neo liberal structural adjustment policies. The objective of the law was to stop inflation, which was accomplished, but the law was a blow to social organisations and unions, depriving these of influence in Bolivian society by privatizing state-owned industries.

Before 1985, the Bolivian unions were very strong and the State provided at least 60% of the country’s employment. Among the state-owned industries were petroleum, telecommunications, airlines, railroads and mines. The mining sector was very important, and four mines produced 25 percent of the states’ total revenue. Many of these industries have been privatized, others have been closed down due to economic crisis, and the unions have lost their importance and strength.

With the economic collapse of especially the tin industry in the beginning of the 1980’s the mining industry lost its importance for Bolivian economy, and the mine workers were fired. This initiated a massive migration to the lower areas of Bolivia. Many mine workers moved to Chapare, the tropical western part of Bolivia. In Chapare many of them settled as coca farmers.

The US led “war on drugs” in Bolivia, which includes eradication of coca plants and fields, has led to decrease in drug money – including the money which small scale peasants received by selling the coca leaves – and thereby an increase in the dependency on foreign aid and support from international financing institutions like the World Bank and other donors. The “war against drugs” initiated by the Bolivian government helped by the US has created social instability in Bolivia for decades, and is a consequence of poor farmers growing coca as a cash crop in order for them and

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3 Multinational Monitor, 2000
their families to survive. In fact the coca production has also increased income for Bolivia. The coca leaf is a plant, which has been used traditionally for centuries by the indigenous people in the Andean region. Therefore the protests against the war on drugs also have cultural connotations since the coca leaf is part of many indigenous people’s traditions and culture.

Bolivia needs new income generating initiatives. Production of Quinoa seems like a reasonable solution to poverty alleviation on local level and an income generating export good for the country.

**Quinoa – the crop**

As mentioned earlier a large percentage of the Bolivian population has been and still is living on the highland plateau between two Andean mountain ranges – the 'altiplano'. Not much can be cultivated in these very high areas. The altiplano lies at an altitude of 4000 meters above sea level. The winds are harsh, and the sun burns during the day and during nights the temperature can reach well below 0 (Celsius). Even so the quinoa has been cultivated in these areas for several centuries, even thousands of years (Jacobsen 2003:168). Apart from being resistant to harsh natural conditions, which are so typical in this area, quinoa also is a very nutritious product with high contents of protein and a wide range of minerals and vitamins (Jacobsen 2003:174). Apart from being high in protein it is free from cholesterol. In fact it is supposed to decrease cholesterol because the saponins tie cholesterol from the body and help to dispose of it (Holmen 2007).

Another advantage of quinoa as a crop is that it is a sustainable crop causing minimal damage to the environment in the Andean areas where it is grown. There are different kinds of quinoa ecotypes adapted to different conditions ranging from places ridden by drought to more humid places (Jacobsen 2003:168).

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4 As former president Quiroga says: “Drugs, illegal as they may be, they were 3% of the GDP, 18% of the exports. Bad as it was, damaging as it was, if you look at it from a purely business standpoint… it [the drug trade] was Milton Friedman heaven: all privately run, no taxation, no regulation, and in essence – if you want to look at it cynically – duty free access to markets” (Frontline world, 2002b)
When pasture lands are included for cultivation of quinoa and tractors are used on delicate soil one can discuss whether this crop is always ecological sustainable. When llama herders complain of less land for grazing their animal this implies that too much land in included for quinoa production, which could damage the very delicate ecology of the altiplano. Quinoa Real has been marketed effectively by the Bolivian producers organisation CADEQUIR. This organisation brings together the quinoa producers in the area around the salt lakes in the southern Potosí department, where there is a special quality of the soil which creates opportunities for growing a sort of Quinoa with big grains. In other parts of Bolivia the grains are smaller. Quinoa with big grain is better for producing whole quinoa which is boiled as rice, used in salads and the like. For grained quinoa products (pasta, flour etc) any kind of quinoa is suitable.

There is some dispute between CADEQUIR and the national organisation for quinoa producers ANAPQUI, since CADEQUIR declares ‘Quinoa Real’ to be the true quinoa. This has some implications for marketing and access to markets, where one organisation tries to monopolise the export. Still there are other producers who stand outside these organisations and who have managed to establish to buyers in the west.

The system for certification for ecological products exists all over the world. In Bolivia there are two organisations doing it. Both organisations accept quinoa grown in areas ploughed by tractors as ecological, which is a paradox, since the technology used in the cultivation of quinoa, the tractor, is in fact destroying the ecosystem in the southern part of Bolivian Andes.

’Green/alternative consumption’

Many development projects focus on establishing small businesses on local level. One could regard this as neoliberal policies implemented on the local level. Peasants in development countries become actors in world economy supported by state donor organisations (like Danish ‘Danida’) or
by the support of NGOs. Some of these local enterprises are established on an ecological basis and/or within the regime of ‘Fair Trade’. The demand for ‘green’ products is rising among western consumers, and so is the demand for products labelled as fair trade. These products represent a promise of social change (Fuentes XX:9), social change which will occur both in the production end and in the receiving end. In the shops of Western Europe and the US consumers buy more than a product, when they buy ecological and fair trade products from the developing countries. They also see themselves as being part of a process which is contributing to sustainable development in societies in the west and in the developing countries. In this sense the idea is that spending money on green products in rich countries could alter societies and ways of production in developing countries for the better. This idea is also present within the development policies of Danish NGOs working with local producers in the developing world. This assumption of consuming green and contributing to social and ecological change might not always be true. As this example from Bolivia will show, the increased demand from consumers in the richer part of the world for a product like ecological quinoa creates processes at local level which could not be foreseen, and which are not positive for the inhabitants of many rural areas of the altiplano. The demand for green products creates transformations in social organisation in the villages.

First some comments on the ‘green consumer’. Green consumption can be seen as a social and a cultural phenomenon (Fuentes XX:12). In this the notion of ‘identity’ is important, especially the construction of ‘green identities’. By buying green products the consumer expresses a non-conform consumer-style, and again, the idea of social change is inherent in the consumption of f.ex. ‘fair trade’ or ecological products produced in developing countries (or in eco-tourism in developing countries). This consumer style is opposed to global ‘americanized’ brands like Nestlé, Coca Cola McDonalds and the consumer culture these brands are linked to. One could argue that the global movement of ‘no logo’ (Klein 1999) has created another consumer identity stresses awareness of
and resistance to global brands (Askegaard 2006:85) and another way of consuming by focusing on fair trade and ecological products. The idea of social change lies within the concept of ‘fair trade’ since the producers obtain a better price on their products than normally. It is part of the trade that you as consumer support the producer by paying more for the product than under normal market conditions. For other products, like quinoa grown under traditional circumstances, products are still seen as alternative and using the products are seen as supporting a lifestyle at home and supporting peasants in the global south. Another thing is that alternative products, like quinoa, are presented as special and as more nutritious than products normally sold at supermarkets.

Production of ecological/alternative crops – seen from a local level

The empirical background for this paper is based on several visits to the Bolivian altiplano during a number of years. Different communities have been visited and the presentation of the empirical data is based on these visits. One can see a general trend in the changing social processes and production patterns in different communities of the southern part of the altiplano. Quinoa is, as mentioned, a crop which is especially suited the ecological conditions of the altiplano, especially close to the ‘salares’ (salt lakes). The crop has been grown in these areas for many years, often as the only crop. Apart from quinoa peasants have had llama herds. Llamas need pasture lands, of which there are not many in this very dry and cold place. With the growing interest for ecologically grown quinoa many peasant have an interest in becoming certified for ecological production and land is being included for production of quinoa. This land is often pasture land formerly used by llama herders. This creates tension in communities.

On government level there is an awareness of the economic and development potential of the quinoa production. There have been programs supported by the government in encouraging including more land for quinoa production by use of tractors. Peasants have been given cheap loans
to buy tractors. The problem is that no new technology has been introduced. Quinoa has traditionally been grown by digging holes in the ground manually for each seed. This is adapted technology special for this area with very thin layers of soil, strong winds and change in temperature from 20 degrees Celsius during the day to way below zero during the night. When tractors plough they loosen the soil. With dry climate and strong winds the fertile soil is quickly blown away and the areas ploughed by tractor risk desertification. These areas increase every year because the good price on quinoa causes many peasants to change their production to quinoa production. And this is not for local consumption which was formerly protecting food security at the local level. The production is for the market. Bolivia has a very large part of the global export of Quinoa due to their organisations being clever at obtaining cooperation with consumers in the west. This has been encouraged through the certification of ecological products, which is demanded by according to EU standards.

One kilo of ecological and certified quinoa can be sold for the same amount as it costs villagers to by three kilos of white rice or pasta. This has, of course, increased income for some, but at the same time the nutritional standard of the daily food has decreased. Pasta and white rice are not as healthy as quinoa as the basic food product in daily consumption

The role of NGOs

“NGOs remain a dominant force in the contemporary world, in relation to a broad range of areas that include development, globalisation, human rights and conflict. NGOs need to be studied both in their own right and as a keyhole into wider processes such as privatization, state transformation and changing gender relations (Lewis, 2007: 375).

NGOs play a crucial role in many areas of the Bolivian society. This is not unusual in developing states (Opoku-Mensah et al., 2007). In weak states poverty and social exclusion are common for
rural populations. Civil society organisations with a relation to the state administration are almost non-existent even though a variety of local organisations exist. In Bolivia NGOs are assisting in development work within many areas. Regarding state transformation, the NGOs in Bolivia have played a key role in implementing new popular participation reforms on local level. The relation between donors, state and NGOs has been close in this case, since donors and NGOs have played an active role in implementing Bolivian state reforms and thus fulfilling an invited space (Cornwall 2002) for civil society organisations in line with state policies. NGOs have thus not been opposing the state in this case but have rather been supporting the reforms coming from the state and at the same time they have supported local communities in their attempt to take part in the new processes. They have operated as mediators in the social interface in the “critical points of intersection between different social systems” as stated by Long (1989: 1-2)

**NGOs and Neoliberalism**

NGOs can be seen as representatives of civil society (as opposed to State) and as key actors in resistance against neoliberalism and as important development actors. “In the international development field and beyond, this interest in NGOs was fuelled in part by the national and global dominance of neo-liberal economic policy agendas which contributed to a growing importance of the idea of the ‘non-governmental’ (Opoku-Mensah, P, 2007:9)

But some NGOs are seemingly supporting introduction of neo-liberalism at the local level. It seems like (D)development and (d)development are merging as policy and practice. The D(d)developments refer to Cowen and Shenton who have distinguished between “two meanings of the term ‘development’ that have been consistently confused: ‘development as an immanent and unintentional process as in, for example, the ‘development of capitalism’ and development as an intentional activity” (Cowen & Shenton 1998:50, quoted in Bebbington et al. 2008:5). These
projects could be supporting micro-finance – with or without a gender perspective, which could be seen as neoliberalism introduced at the local level by creating (small) industries which supposedly are to act as producers of goods on conditions of the market. This can be seen as ‘reformist’ notions of alternatives and NGOs have supported these reformist strategies which lies within neoliberal practice. However, alternative development could also be introduced as actual alternatives to neoliberalism with emphasis on “alternative ways of organising the economy, politics and social relations in society” (Bebbington 2008: 5).

Towards a conclusion: Fair trade – or what?

In many developing countries donors encourage establishment of micro-enterprises on local level. One example could be women establishing groups knitting sweaters, scarves, mittens and the like. Often these microenterprises get micro-credit loans to buy a knitting machine. The problem is, though, that the local women has no knowledge of which products will sell (to tourists f.ex) and of network and transport to markets. So these projects often end up stopping once the donors (NGOs) leave the area. Regarding production of quinoa and selling the product, NGOs often play a crucial role for the same reasons as in the example above. Producers at local level need assistance in selling, networking and branding the product. In the case of quinoa it has been marketed as an alternative product, often ecologically produced and within the fair trade regime. This seems like a wise strategy. Producers at local level will increase sale of quinoa which is exported to markets in the West. The problem is that too much demand might create problems at the local level. Initial findings show that there are conflicts in villages directly caused by growing demand for quinoa, and thereby growing production for export. Ecological sustainability might be at risk. Furthermore nutrition seems to have worsened, especially for the children. The reason for this is that quinoa is not used as much in daily diet as before. Because of the high prices on quinoa at the world market
most of the production is exported (at a good price) and the local diet now to a higher degree depends on pasta and white rice, which both lack the nutritious value that quinoa possess.

So even though the local peasant might obtain a good price for the locally produced quinoa and even though there is a demand from the West, partly founded in a new wave of supporting peasants in the global south through fair trade and consumption of alternative products from these areas, one can question whether this is always a good ‘development’ for people of the village of the altiplano. Their income may have risen, but nutrition and thereby health has weakened, environment has suffered, conflicts have appeared between different groups of producers of different agricultural products.
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