

The Market Penetration of Fair Trade in California and Tokyo

Topic Development

Instructor: Li-fen Lin

Student: Rie Usuki

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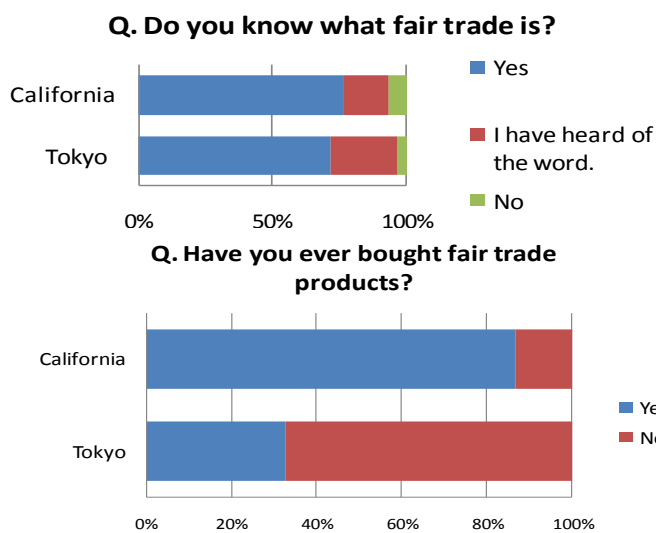
Introduction

Fair Trade USA explains in their website that fair trade is a movement which was begun to help producers in developing countries sustaining themselves and by doing this it contributes sustainably. This can be done by providing them “fair” environment to produce and by buying their products at “fair” prices. I myself am taking part in this movement by engaging in a student group which sells fair trade products in my university.

Now, U. S. has the second largest market of fair trade. For example, huge companies in U. S. such as Starbucks Coffee, Ben & Jerry's Homemade Ice Cream and Walmart have added fair trade products to their inventories. In an article “Ben & Jerry's Lets You 'Donate' Your Extra Twitter Characters to Charity,”(2011) the founder of Ben & Jerry’s Homemade Ice Cream, Jerry Greenfield, says that “Fair trade is about making sure people get their fair share of the pie. The whole concept of fair trade goes to the heart of our values and sense of right and wrong. Nobody wants to buy something that was made by exploiting somebody else.” Greenfield’s point is that they choose fair trade products because fair trade is different from other products in a way that the products were made without ripping off anybody else.

However, it seems that fair trade is much less common in Tokyo than in California for some reasons. As an illustration, Starbucks Coffee does not sell fair trade coffee in Japan. In addition, the size of Japanese fair trade market is no more than 1.3% of that in the U. S.. The purpose of this paper is to confirm and look for the reason why fair trade is more common in California than Tokyo through research and surveys.

Methods and results

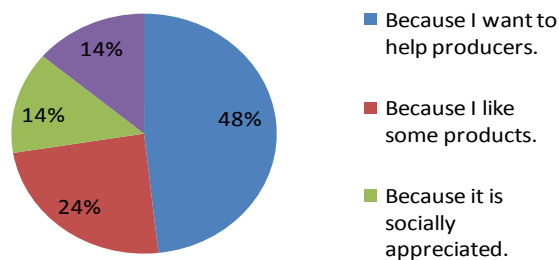


I have conducted a survey of 300 students from Hitotsubashi University in Tokyo in June and another survey of 30 people on the Stanford's campus

and in Palo Alto. The survey in Japan included 200 males and 100 females, and the survey in California included of 15 males and 15 females at the age of 16 to 74. These surveys clearly showed that fair trade is much more

common in California than in Tokyo. Although more than 96% of the interviewees had heard the word “fair trade” both in California and Tokyo, no less than 67% interviewees in Tokyo had never bought fair trade products (Q2). On the other hand, 87% of the interviewees in California had ever bought the products (Q4) and nearly half of all the interviewees were aware of the fair trades’ purpose (Q5). Moreover, 40% of Californian interviewees answered that they first heard about fair trade more than 10 years ago (Q2). Also, 50% of interviewees in California learned about fair trade for the first time in school and 20% learned through the media (Q3). There are some

Q. Why do you buy fair trade products?



possible reasons for these results. In the next section, I will discuss my findings.

Discussion

Historically, this can be a result of American citizens’ long-term movement to ensure companies to adopt fair trade products. Carrol Wills

emphasizes in The Fair Trade Handbook (FLO, 2008) that the origin of fair trade can be seen first in 1946, when Edna Ruth Byler, a businesswoman in Pennsylvania, began to sell handcrafts which were made by poor women in Puerto Rico. Therefore, we can say that U. S. has the longest history of fair trade movement. Actually, 26% of the Californian interviewees said they first heard about fair trade more than 10 years ago (Q2). In Fair trade: The challenges of transforming globalization (2007), Stephanie Barrientos states that the success of fair trade coffee market in U. S. can be thought as a result of 1) NGOs' campaigns to stress the companies to sell fair trade products, 2) many coffee shops' adoption of fair trade products and 3) Transfair USA's construction of business-based activities to introduce and promote fair trade products. Starbucks' fair trade coffee from April 13, 2000 is also an achievement of a campaign and simultaneous demonstrations by the social activist organization, Global Exchange. This change also led other competing coffee retailers to sell fair trade coffee within moments. Transfair USA is a non-profit organization founded by a solidarity activist who earned MBA degree. Thanks to his leadership and wide business knowledge, it contributed to introduce new kinds of fair trade products such as cocoa and

chocolate products and earns more than 2 million dollars annually.

Also, there are several possible reasons why fair trade is less common in Japan. One is the environment that fair trade market is facing. In Fair Trade Spreading around the World (2008), the author Shimizu explains that the poor distribution chain, poor variation of products and low recognition degree of fair trade in Japan are frequently pointed out. As previously stated, we do not have an access to fair trade coffee in Starbucks shops in Japan. On the contrary, the percentage of people who do not buy fair trade products because they do not have chance remains only 13% in California (Q5-2). The other reason is the consumers' tendency. In Fair Trade Spreading around the World (Shimizu, 2008), The Fair Trade Company describes that because Japanese consumers are more selective, sometimes they cannot meet the producers' need for large-amount order. But in California there was no single person who said he/she does not buy fair trade products because they do not like the products (Q5-2). In addition, 37% of the Californian interviewees said they have bought fair trade handcrafts (Q6) and 64% of them chose handcrafts as their most favorite fair trade products (Q7), although we do not see many fair trade products besides coffee and chocolates in Japan. This

reflects the variety of fair trade products in U. S..

Conclusion

So in conclusion, fair trade is much more common in California than in Tokyo for these reasons because there are difference between U. S. and Japan in aspects of history, distribution chain, variation of products, consumers' tendency and recognition degree of fair trade.

In order to make fair trade more common in Japan, the first thing we can do is to raise the recognition degree among Japanese. Even if Japan has disadvantages in some basic aspects such as history and consumers' tendency, we can make more people aware of fair trade issue by making effort on promotion of fair trade. I do not think Japan will catch up with U. S. someday because of these disadvantages, but in order to help more producers and make a sustainable trade framework, the Japanese fair trade market should be extended than what it currently is. Otherwise, the living condition of producers in developing countries would never be improved in the least.

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Appendix

Survey for people in California

Topic: The Penetration of Fair Trade in California and Tokyo

Rie Usuki

Since America has the second largest market of fair trade, I think fair trade is more common in California than Tokyo. I would like to confirm this and look for the reason through this survey.

Age: sex:

Q1. Do you know what fair trade is?

- a. Yes b. I have heard the word. c. No

Q2. When did you hear about the fair trade for the first time?

- a. more than 10 years ago
 b. 3-10 years ago
 c. 1-3 years ago
 d. recently
 e. I do not remember.

Q3. Where did you hear about the fair trade for the first time?

- a. school b. workplace c. shops
 d. others:

Q4. How often do you buy fair trade products?

- a. never b. seldom c. sometimes d. always

Q5-1. Why do you buy the fair trade products?

- a. Because I want to help producers.
 b. Because I like some products.
 c. Because it is socially appreciated.
 d. others:

Q5-2. Why do not you buy the fair trade products?

- a. Because I do not think it will help producers.
 b. Because I do not like the products.
 c. Because I do not have any chance to see the products.
 d. Because it is expensive.
 e. others:

Q6. What kind of fair trade products have you ever bought?

- a. coffee/tea b. chocolate c. fruits/vegetables d. handcrafts
e. other things:

Q7. What kind of fair trade products do you like the best?

- a. coffee/tea b. chocolate c. fruits/vegetables d. handcrafts
e. other things:

Survey I conducted in Japan

This is a questionnaire about fair trade.

Please give us some time to improve our activity in the campus.

Major: Year: Sex:

Q1. How much do you know about fair trade?

- I have heard of the word. → Q2 I know what it is. → Q2
 I have never heard about it. → Q3

Q2. Have you ever bought fair trade products?

- No Once More than once

Q3. Do you want to buy fair trade products?

- Yes No

Reason why I choose this answer :

4. Did you know that we are selling fair trade products in university's coop?

- Yes No

Thank you.

Hitotsubashi univ. fair trade circle La Ponte