

***Scaling the Social & Solidarity Economy:
The Opportunities and Limitations
of Fairtrade Practice***

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The Argument

- **The Notion of the SSE and the Need for Scaling**
- **The Potential of FT for Scaling the SSE**
- **The Limits of FT for Scaling the SSE**
- **Conclusion**

What does it mean to scale the SSE?

Defining the SSE

- **No one definition**
- **Some broad points agreed upon**
 - Economic activity oriented towards people not profit
 - Some contribution to promoting social justice
 - A diversity of practice
- **Some important question**
 - Inherent of instrumental value
 - Its role in the larger economy
 - Ameliorative (poverty reduction)
 - Transformative (alternative economy)

The Need for Scaling (Growth)

- **Horizontal**

- The need to bring more people into the SSE

- **Vertical**

- The need to increase capacity of SSE organizations
 - To produce more effectively
 - To move up the value chain (capture more value added)

- **Transveral**

- The need to link the SSE across sectors so that they mutually reinforce
 - Links between finance, production, intermediaries, retail
 - Need to diversity production into different sectors
 - Need to develop (social, physical) infrastructure

Features of Fairtrade that May Promote Scaling

- **Production**
- **Exchange**
- **Advocacy**
- **Regulation**
- **Mobilization**

Different Type of Actors in Fair Trade

- **SSE Actors and Relationship**
- **Non-SSE Actors and Relationship**

Some Historical Notes on Fairtrade

- **Fairtrade as Production**

- Originally only by Small Producer Co-ops
- Later production on large estates is allowed
- Different forms of production in Fairtrade

- **Fairtrade as Trade (Exchange)**

- Originally based upon solidarity between SSE actors
- Later corporations enter, based on minimum stds required
- Different forms of value chains in Fairtrade

- **Fairtrade as Non-state Regulation**

- Fairtrade Int'l (FLO) – 2 sets of norms – values, min. stds
- Small Producers own (SSE) label
- Different forms of regulation in Fairtrade

- **Fair Trade as Advocacy**

- CLAC (Latin America) – includes only small producer coops
- In Asian and Africa estate owners are involved
- Different forms of producer association in Fairtrade

SSE, Heterogenous and non-SSE Practice

Area	SSE (Coop) Bodies	Heterogenous and Non-SSE Bodies
1. Production	Small Producer Co-ops	Private Estates
2. Exchange	SSE Value Chain	Chains dominated by Corp. Retailers
3. Advocacy (Producer Organization)	CLAC (Latin Am)	NAP (Asian) FTA (Africa)
4. Regulatory Body	CLAC's Small Producer Label	FLO's Certified FT Label
5. Mobilization	RIPSS	Global Exchange,

Fair Trade Value Chains



FAIRTRADE
INTERNATIONAL

Role Value Chain	Production	Inter- mediaries	Retail
1) 100% SSE			
2) SSE dominant			
3) non-SSE dominant			
4) 100% non- SSE			

Question

- **How do different types of actors**
 - (SSE vs non-SSE)
- **contribute to the scaling of FT through different forms of participation:**
 - Production
 - Exchange
 - Advocacy
 - Regulation
 - Mobilization
- **in different ways**
 - qualitatively (horizontally, vertically, transversally)
 - quantitatively (participants, sales, value added, etc.)



The Potential of FT for Scaling



5 Features of FT as a SSE practice

- **Fairtrade as SSE Production**
 - horizontal (+)
- **Fairtrade as SSE Exchange**
 - vertical (+), transversal (+)
- **Fairtrade as SSE Advocacy**
 - horizontal (+), vertical (+), transversal (+)
- **Fairtrade as SSE Regulation**
- **Fairtrade as SSE Mobilization**



The Limits of Fairtrade in Scaling the Social and Solidarity Economy



5 Features of FT as Heterogenous and Non-SSE Practice

- **Fairtrade as Heterogenous/Non-SSE Production**
- **Fairtrade as Heterogenous/Non-SSE Exchange**
- **Fairtrade as Heterogenous/Non-SSE Advocacy**
- **Fairtrade as Heterogenous/Non-SSE Regulation**
- **Fairtrade as Heterogenous/Non-SSE Mobilization**

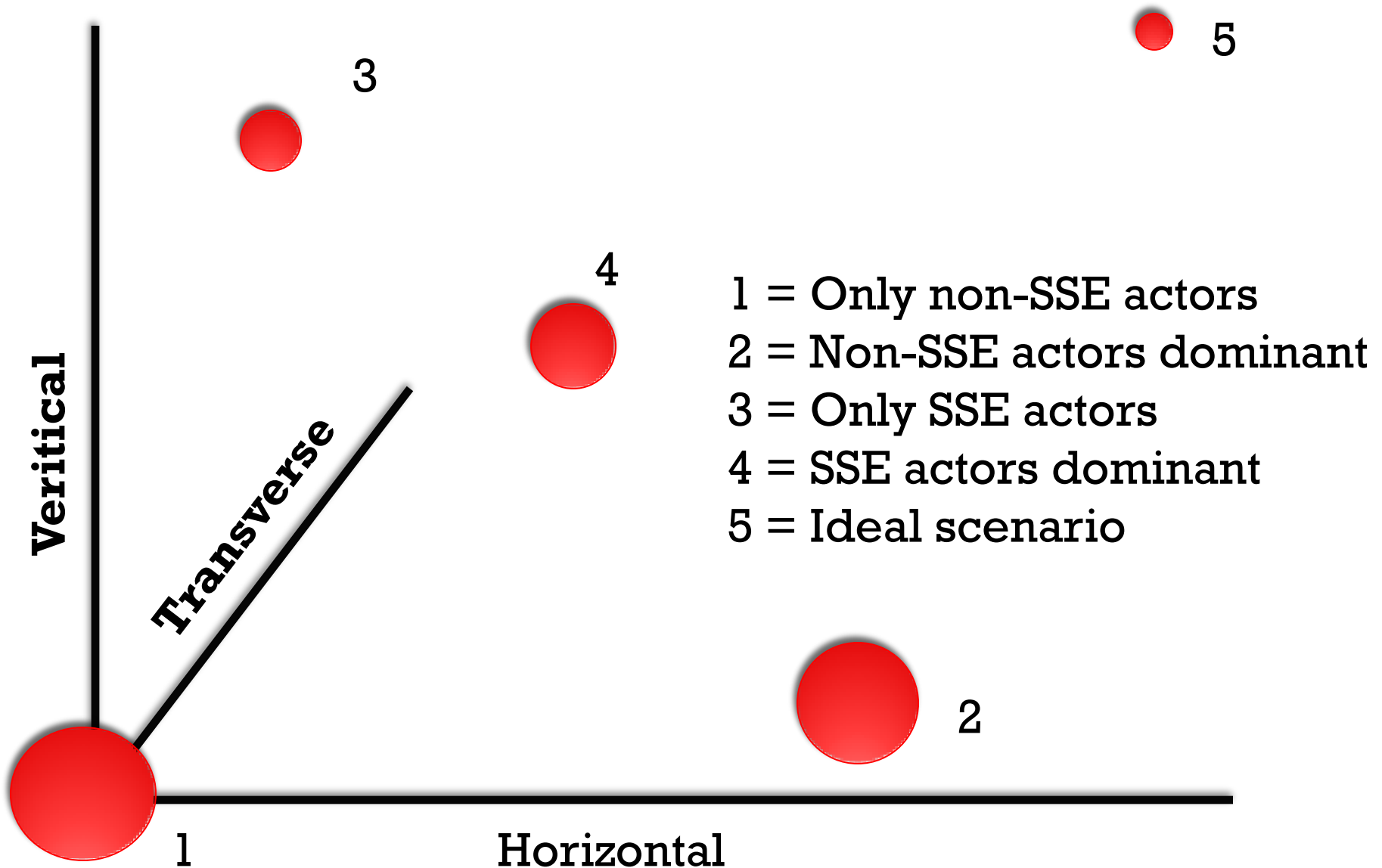
5 Features of FT as as Heterogenous and Non-SSE Practice

- **Fairtrade as non-SSE Production**
- **Fairtrade as Exchange**
- **Fairtrade as Heterogenous Advocacy**
- **Fairtrade as Heterogenous Regulation**
- **Fairtrade as Heterogenous Mobilization**

Impact of Fair Trade on Scaling

Practice Activity	SSE Practice	Hetero/Non-SSE
1) Production	Horizontal (+)	Horizontal (-)
2) Exchange	Horizontal (+) Vertical (+) Transversal (+)	Horizontal (+) (-) Vertical (-)
3) Regulation	Horizontal (+) Vertical (+) Transversal (+)	Horizontal (-) (+) Vertical (-) Transversal (-)
4) Advocacy	Horizontal (+) Vertical (+) Transversal (+)	Horizontal (-) Vertical (-) Transversal (-)
5) Mobilization	Horizontal (+) Vertical (+) Transversal (+)	Horizontal (+) (-) Vertical (-) Transversal (-)

Scenarios of SSE Scaling





Conclusions?



Some Lessons?

- **There are major trade-offs in working with non-SSE actors**
 - Non-SSE actors may help extend the SSE horizontally
 - Non-SSE actors will generally inhibit the growth of the SSE vertically, transversally
 - It is not possible to determine in advance which trade-offs are best
- **SSE actors need to decide on trade-offs they want to make**
 - Need to organize among themselves first (bottom up)
 - Need to have engage with non-SSE actors on the basis of negotiations, not through “democratic” decision-making

