

[Home](#) > [Journal of Business Ethics](#) > [Article](#)

Mainstreaming and its Discontents: Fair Trade, Socially Responsible Investing, and Industry Trajectories



Published: 27 June 2014

Volume 130, pages 601–618, (2015) [Cite this article](#)**Journal of Business Ethics**[Aims and scope](#) →[Submit manuscript](#) →[Curtis Child](#) ¹ **2985** Accesses  **26** Citations [Explore all metrics](#) →

Abstract

Over time, according to popular and academic accounts, alternative trade initiatives [such as fair trade, organics, forest certification, and socially responsible investing (SRI)] almost invariably lose their oppositional stance and go mainstream. That is, they lose their alternative, usually peripheral, and often contrarian character. In this paper, I argue that this is not always the case and that the path to going mainstream is not always an unproblematic one. I observe that while scholars have documented various aspects of specific alternative trade initiatives, little comparative work has been done to theorize their different trajectories. To advance the scholarship, I compare two alternative trade movements, fair trade and SRI, and develop three hypotheses—the relation motivations hypothesis, the material interests hypothesis, and the organization of

credibility hypothesis—that explain why going mainstream has been so hotly contested in the fair trade movement but not the SRI movement. I articulate these hypotheses and evaluate their merits.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this article

[Log in via an institution](#) →

[Buy article PDF 39,95 €](#)

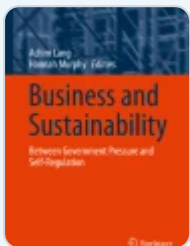
Price includes VAT (Poland)

Instant access to the full article PDF.

Rent this article via [DeepDyve](#) 

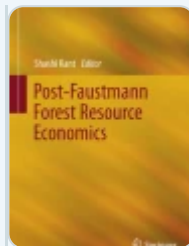
[Institutional subscriptions](#) →

Similar content being viewed by others



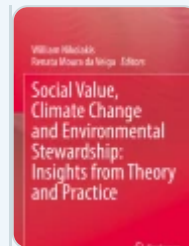
**Business and Sustainability:
An Introduction**

Chapter | © 2014



**Public Choice, Rent-Seeking
and the Forest Economics-
Policy Nexus**

Chapter | © 2013



**Introduction – Social Value
and Social Return on
Investment: Theory and
Practice**

Chapter | © 2023

Explore related subjects

Discover the latest articles, news and stories from top researchers in related subjects.

Notes

1. Fair Trade USA is not the only labeling initiative. Others include Rainforest Alliance, UTZ Certified, and IMO Fair for Life. However, because of its historical affiliation with the global fair trade structure (i.e., FLO), as well as its remarkable growth, Fair Trade USA has represented to many—for good or ill—the face of fair trade.

FLO has coordinated fair trade efforts on the international stage (Fairtrade Labeling Organizations International [2010](#)) but not without controversy. One of FLO's responsibilities is to establish the minimum price per pound of coffee, which it first did in 1988 (Jaffee [2012](#)). Some complain that its pricing structure has failed to keep pace with producers' needs. (The floor price it initially established—\$1.26 for washed Arabica, \$1.41 for certified organic—was not tied to inflation and did not change for nearly two decades, eroding much of its initial significance. At the time of writing, the FLO and Fair Trade USA minimum prices were \$1.60 for Arabica and \$1.90 for certified organic.) Other debates center on how fair trade should be defined and whether small farmers have a substantial enough say in FLO operations (Reed [2009](#); Reed et al. [2010](#)).

2. Although I focus primarily on the mutual fund industry as one window into the movement, mutual funds are only one type of actor within the broader movement. Other participants include insurance companies, banks, pension plans, and others in the financial sector (Nicholls [2010](#); Richardson and Cragg [2010](#)).

3. For Weber, value-rational action is behavior motivated by a commitment to a certain value (Collins [1986](#); Swedberg [2005](#); Weber [1978](#)). It is different from instrumentally rational action, or action that has an explicit means-end quality (I choose to do x instead of y so that I can obtain z). Value-rationality is

manifest in the way that many practitioners in alternative trade initiatives are deeply committed to the justice-oriented ideals of the movement. For example, paying higher than market value for bags of coffee, or choosing to work only with cooperative farming groups, is value-rational when a roaster does so because she feels it is the ethically right thing to do. The fact that trading exclusively in fair trade may ultimately hurt her business and may not have a measurable difference in farming communities is secondary to the fact that she feels compelled to act in accordance with her values.

References

Alvesson, M., & Kärreman, D. (2011). *Qualitative research and theory development: Mystery as method*. Thousand Oaks, CA: Sage.

[Google Scholar](#)

Bartley, T. (2007). Institutional emergence in an era of globalization: The rise of transnational private regulation of labor and environmental conditions. *American Journal of Sociology*, 113, 297-351.

[Article](#) [Google Scholar](#)

Bauman, Z. (2001). *Modernity and the Holocaust*. Ithaca, NY: Cornell University Press.

[Google Scholar](#)

Buck, D., Getz, C., & Guthman, J. (1997). From farm to table: The organic vegetable commodity chain of Northern California. *Sociologia Ruralis*, 37, 3-20.

[Article](#) [Google Scholar](#)

Campbell, D. (2001). Conviction seeking efficacy: Sustainable agriculture and the politics of co-optation. *Agriculture and Human Values*, 18, 353-363.

Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, CA: Sage Publications Ltd.

[Google Scholar](#)

Child, C. (2012). Chasing the double-bottom line: Fair trade and the elusive win-win. In B. Gidron & H. Hasenfeld (Eds.), *Social enterprises: An organizational perspective*. New York: Palgrave Macmillan.

Child, C. (forthcoming). Bulwarks against market pressures: Value rationality in the for-profit pursuit of social value. *Journal of Contemporary Ethnography*.

Coleman, J. S. (1994). A rational choice perspective on economic sociology. In N. J. Smelser & R. Swedberg (Eds.), *The handbook of economic sociology*. Princeton, NJ: Russell Sage Foundation.

[Google Scholar](#)

Collins, R. (1986). *Max Weber: A skeleton key*. Newbury Park, CA: Sage.

[Google Scholar](#)

Cooperative Coffees. (n.d.) "History." Retrieved May 1, 2011, from <http://www.coopcoffees.com/who/about-cc/history-of-cc>.

Counsell, S., & Terje, K. (2002). *Trading in credibility: The myth and reality of the Forest Stewardship Council*. The Rainforest Foundation. Retrieved June 24, 2013, from <http://www.rainforestfoundationuk.org/files/TradinginCredibilityfullreport.pdf>.

Davis, G. F., & Zald, M. N. (2005). Social change, social theory, and the convergence of movements and organizations. In G. F. Davis, D. McAdam, W. R. Scott, & M. N. Zald (Eds.), *Social movements and organization theory*. New York, NY: Cambridge University Press.

Doherty, B., Davies, I. A., & Tranchell, S. (2013). Where now for fair trade? *Business History*, 55, 161-189.

[Article](#) [Google Scholar](#)

Domini, A. L. (1992). What is social investing? Who are social investors? In P. D. Kinder, S. D. Lydenberg, & A. L. Domini (Eds.), *The social investment almanac: A comprehensive guide to socially responsible investing*. New York, NY: Henry Holt and Co.

Domini, A. L., & Kinder, P. D. (1984). *Ethical investing*. Reading, MA: Addison Wesley Publishing Company.

[Google Scholar](#)

Drimmelen, R. (2000). The flight of the Bumblebee: 25 years of Oikocredit. *The Ecumenical Review*, 52, 432-441.

[Article](#) [Google Scholar](#)

Eisenhardt, K. M. (1985). Control: organizational and economic approaches. *Management Science*, 31, 134-149.

[Article](#) [Google Scholar](#)

Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14, 532-550.

[Google Scholar](#)

Emerson, R. M., Fretz, R. I., & Shaw, L. L. (2011). *Writing ethnographic fieldnotes* (2nd ed.). Chicago, IL: The University of Chicago Press.

Equal Exchange. (2010). Institute for marketecology to certify select fair trade products for Equal Exchange. Retrieved May 5, 2011, from <http://www.equalexchange.coop/institute-for-marketecology-to-certify-select-fair-trade-products-for-equal-exchange>.

Espeland, W. N., & Sauder, M. (2007). Rankings and reactivity: How public measures recreate social worlds. *American Journal of Sociology*, 113, 1-40.

[Article](#) [Google Scholar](#)

Fair Trade Original. (n.d.) History. Retrieved May 3, 2011, from <http://fairtrade.nl/EN/MainExtendedContent/About-Fair-Trade-Original/History.aspx>.

Fairtrade Labeling Organizations International. (2010). *Growing stronger together: Annual report 2009-2010*. Retrieved May 3, 2011, from <http://www.fairtrade.net>.

Fridell, G. (2007). *Fair trade coffee: The prospects and pitfalls of market-driven social justice*. Toronto: University of Toronto Press.

[Google Scholar](#)

Geertz, C. (1973). Thick description: Toward an interpretive theory of culture. In *The interpretation of cultures*. New York: Basic Books.

Glickman, L. B. (2004). Buy for the sake of the slave: Abolitionism and the origins of American consumer activism. *American Quarterly*, 56, 889-912.

[Article](#) [Google Scholar](#)

Goldthorpe, J. H. (1998). Rational action theory for sociology. *The British Journal of Sociology*, 49, 167–192.

[Article](#) [Google Scholar](#)

Goodman, D. (2008). The international coffee crisis: A review of the issues. In C. Bacon, V. E. Mendez, S. R. Gliessman, D. Goodman, & J. A. Fox (Eds.), *Confronting the coffee crisis: Fair trade, sustainable livelihoods and ecosystems in Mexico and Central America* (pp. 3–26). Cambridge, MA: The MIT Press.

Grant, A. M. (2007). Relational job design and the motivation to make a prosocial difference. *Academy of Management Review*, 32, 393–417.

[Article](#) [Google Scholar](#)

Green, D. P., & Shapiro, I. (1996). The nature of rational choice theory. In D. P. Green & I. Shapiro (Eds.), *Pathologies of rational choice theory: A critique of applications in political science*. New Haven, CT: Yale University Press.

[Google Scholar](#)

Guthman, J. (1998). Regulating meaning, appropriating nature: The codification of California organic agriculture. *Antipode*, 30, 135–154.

[Article](#) [Google Scholar](#)

Haveman, H. A. (2009). The Columbia school and the study of bureaucracies: Why organizations have lives of their own. In P. Adler (Ed.), *The Oxford handbook of sociology and organization studies: Classical foundations* (pp. 585–606). New York: Oxford University Press.

[Google Scholar](#)

Heard, J. E. (1992). Fiduciary Duty and Institutional Shareholder Activism. In P. D.

Kinder, S. D. Lydenberg, & A. L. Domini (Eds.), *The social investment almanac: A comprehensive guide to socially responsible investing*. New York: Henry Holt and Co.

[Google Scholar](#)

Heimer, C. A. (2008). Thinking about how to avoid thought: Deep norms, shallow rules, and the structure of attention. *Regulation & Governance*, 2, 30-47.

[Article](#) [Google Scholar](#)

Jaffee, D. (2007). *Brewing justice: Fair trade coffee, sustainability, and survival*. Berkeley: University of California Press.

[Google Scholar](#)

Jaffee, D. (2010). Fair trade standards, corporate participation, and social movement responses in the United States. *Journal of Business Ethics*, 92, 267-285.

[Article](#) [Google Scholar](#)

Jaffee, D. (2012). Weak coffee: Certification and co-optation in the fair trade movement. *Social Problems*, 59, 94-116.

[Article](#) [Google Scholar](#)

Jaffee, D., & Howard, P. H. (2009). Corporate cooptation of organic and fair trade standards. *Agriculture and Human Values*, 27, 387-399.

[Article](#) [Google Scholar](#)

Kinder, P. D. (2005a). *Socially responsible investing: An evolving concept in a changing world*. Retrieved March 1, 2014, from

Kinder, P. D. (2005b). *Values-based and value investing: The coming confluence*. Retrieved May 16, 2011, from <http://thebell.us/2011/05/values-based-value-investing-the-coming-confluence/>.

Kinder, P. D. (2011). *Values-based and value investing: The coming confluence*. Retrieved May 16, 2011, <http://thebell.us/2011/05/values-based-value-investing-the-coming-confluence/>.

Kinder, P., Lydenberg, S. D., & Domini, A. L. (1993). *Investing for good: Making money while being socially responsible*. New York: Harper Business.

[Google Scholar](#)

Klooster, D. (2006). Environmental certification of forests in Mexico: The political ecology of a nongovernmental market intervention. *Annals of the Association of American Geographers*, 96, 541-565.

[Article](#) [Google Scholar](#)

Lareau, A. (2012). Using the terms hypothesis and variable for qualitative work: A critical reflection. *Journal of Marriage and Family*, 74, 671-677.

[Article](#) [Google Scholar](#)

Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. Newbury Park: Sage.

[Google Scholar](#)

Low, W., & Davenport, E. (2006). Mainstreaming fair trade: Adoption, assimilation, appropriation. *Journal of Strategic Marketing*, 14, 315-327.

[Article](#) [Google Scholar](#)

[Article](#) [Google Scholar](#)

Luker, K. (2008). *Salsa dancing into the social sciences: Research in an Age of Info-Glut*. Cambridge, MA: Harvard University Press.

[Google Scholar](#)

Lydenberg, S. D. (2005). *Corporations and the public interest: Guiding the invisible hand*. San Francisco: Berrett-Koehler.

[Google Scholar](#)

March, J. G., Schulz, M., & Zhou, X. (2000). *The dynamics of rules: Change in written organizational codes*. Stanford, CA: Stanford University Press.

[Google Scholar](#)

Marx, K., & Engels, F. (1978). *The Marx-Engels Reader* (2nd ed.). New York: W.W. Norton and Company.

[Google Scholar](#)

Meehan, P. (2007). To Burundi and Beyond for Coffee's Holy Grail. In *The New York Times* (pp. 8-8). New York: Arthur Ochs Sulzberger, Jr.

Merton, R. K. (1940). Bureaucratic structure and personality. *Social Forces*, 18, 560-568.

[Article](#) [Google Scholar](#)

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. Thousand Oaks, CA: Sage Publications.

[Google Scholar](#)

Moore, G. (2004). The fair trade movement: Parameters, issues and future research. *Journal of Business Ethics*, 53, 73–86.

[Article](#) [Google Scholar](#)

Mutersbaugh, T. (2005). Just-in-space: Certified rural products, labor of quality, and regulatory spaces. *Journal of Rural Studies*, 21, 389–402.

[Article](#) [Google Scholar](#)

Nicholls, A. (2010). The institutionalization of social investment: the interplay of investment logics and investor rationalities. *Journal of Social Entrepreneurship*, 1, 70–100.

[Article](#) [Google Scholar](#)

Pax World Mutual Funds. (n.d.) *Pax history*. Retrieved June 18, 2011, from <http://www.paxworld.com/about/welcome-from-the-president/pax-history/>.

Raynolds, L. T. (2000). Re-embedding global agriculture: The international organic and fair trade movements. *Agriculture and Human Values*, 17, 297–309.

[Article](#) [Google Scholar](#)

Raynolds, L. T. (2009). Mainstreaming fair trade coffee: From partnership to traceability. *World Development*, 37, 1083–1093.

[Article](#) [Google Scholar](#)

Raynolds, L. T., Murray, D. L., & Wilkinson, J. (2007). *Fair trade: The challenges of transforming globalization*. London: Routledge.

[Google Scholar](#)

Reed, D. (2009). What do corporations have to do with fair trade? Positive and normative analysis from a value chain perspective. *Journal of Business Ethics*, 86, 3-26.

[Article](#) [Google Scholar](#)

Reed, D., Thomson, B., Hussey, I., & LeMay, J.-F. (2010). Developing a normatively grounded research agenda for fair trade: Examining the case of Canada. *Journal of Business Ethics*, 92, 151-179.

[Article](#) [Google Scholar](#)

Renard, M. C. (2003). Fair trade: Quality, market and conventions. *Journal of Rural Studies*, 19, 87-96.

[Article](#) [Google Scholar](#)

Richardson, B. J. (2008). *Socially responsible investment law*. New York: Oxford University Press.

[Book](#) [Google Scholar](#)

Richardson, B. J. (2009). Keeping ethical investment ethical: Regulatory issues for investing for sustainability. *Journal of Business Ethics*, 87, 555-572.

[Article](#) [Google Scholar](#)

Richardson, B. J., & Cragg, W. (2010). Being virtuous and prosperous: SRI's conflicting goals. *Journal of Business Ethics*, 92, 21-39.

[Article](#) [Google Scholar](#)

Robinson, P. (2011a). The slow trade movement: Fair trade is not for sale! Retrieved May 5, 2011, from <http://smallfarmersbigchange.coop/2011/02/10/the-slow-trade-movement-fair-trade-is-not-for-sale/>.

Robinson, P. (2011b). To tell the truth: Who owns fair trade? Retrieved May 5, 2011, from <http://smallfarmersbigchange.coop//02/01/to-tell-the-truth-who-owns-fair-trade-2/>.

Rogers, T. (2004). Small coffee brewers try to redefine fair trade. In T. Christian (Ed.), *The Christian Science Monitor*. Boston, MA: The First Church of Christ, Scientist.

[Google Scholar](#)

Sauder, M., & Espeland, W. N. (2009). The discipline of rankings: Tight coupling and organizational change. *American Sociological Review*, 74, 63–82.

[Article](#) [Google Scholar](#)

Securities and Exchange Commission. (2008). *In the Matter of Pax World Management Corp., Respondent*. Retrieved September 7, 2010, from <http://www.sec.gov/litigation/admin/2008/ia-2761.pdf>.

Silbey, S., Huising, R., & Coslovsky, S. V. (2009). The “sociological citizen”: Relational interdependence in law and organizations. *L'Année Sociologique*, 59, 201–229.

[Article](#) [Google Scholar](#)

Sparkes, R. (2002). *Socially responsible investment: A global revolution*. Padstow: Wiley.

[Google Scholar](#)

Sparkes, R., & Cowton, C. J. (2004). The maturing of socially responsible investment: A review of the developing link with corporate social responsibility. *Journal of Business Ethics*, 52, 45–57.

Swedberg, R. (2005). *The Max Weber Dictionary: Key words and central concepts*. Stanford: Stanford University Press.

[Google Scholar](#)

Teoh, S. H., Welch, I., & Paul Wazzan, C. (1999). The effect of socially activist investment policies on the financial markets: Evidence from the South African Boycott. *Journal of Business*, 72, 35–89.

[Article](#) [Google Scholar](#)

Thompson, C. J., & Coskuner-Balli, G. (2007). Countervailing market responses to corporate co-optation and the ideological recruitment of consumption communities. *Journal of Consumer Research*, 34, 135–152.

[Article](#) [Google Scholar](#)

Vogel, D. (1978). *Lobbying the corporation: Citizen challenges to business authority*. New York: Basic Books.

[Google Scholar](#)

Vogel, D. (2005). *The market for virtue: The potential and limits of corporate social responsibility*. Washington, DC: The Brookings Institution.

[Google Scholar](#)

Weber, M. (1978). *Economy and society: An outline of interpretive sociology* (Vol. 1). Berkeley: University of California Press.

[Google Scholar](#)

Weiss, R. S. (1994). *Learning from strangers: The art and method of qualitative*

interview studies. New York: The Free Press.

[Google Scholar](#)

Weissman, M. (2008). *God in a cup: The obsessive quest for the perfect coffee*. Hoboken, NJ: Wiley.

[Google Scholar](#)

Wilkinson, J. (2007). Fair trade: Dynamic and dilemmas of a market oriented global social movement. *Journal of Consumer Policy*, 30, 219–239.

[Article](#) [Google Scholar](#)

Acknowledgments

For helpful comments, thanks to Sage Christianson, Todd Goodsell, Wade Hollingshaus, Ben Richardson, Joe Galaskiewicz, and participants in the Social Enterprise@Goizueta Research Colloquium at Emory University.

Author information

Authors and Affiliations

Department of Sociology, Brigham Young University, Provo, UT, USA

Curtis Child

Corresponding author

Correspondence to [Curtis Child](#).

Rights and permissions

[Reprints and permissions](#)

About this article

Cite this article

Child, C. Mainstreaming and its Discontents: Fair Trade, Socially Responsible Investing, and Industry Trajectories. *J Bus Ethics* **130**, 601–618 (2015). <https://doi.org/10.1007/s10551-014-2241-5>

Received

06 October 2013

Issue Date

September 2015

DOI

<https://doi.org/10.1007/s10551-014-2241-5>

Accepted

19 May 2014

Published

27 June 2014

Keywords

[Fair trade](#)

[Socially responsible investing](#)

[Alternative trade](#)

[Social enterprise](#)

[Mainstreaming](#)

Search

Search by keyword or author



Navigation

Find a journal

Publish with us

Track your research

