

Transforming or Reproducing Conventional Socioeconomic Relations? Introducing a Regulationist Framework for the Assessment of Fairtrade

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Summary. — The certification-based Fair Trade initiative is usually described as an alternative form of organizing production, trade and consumption with the goal of advancing the situation of marginalized producers and workers. While much of the Fair Trade literature has analyzed the system’s direct impacts on its beneficiaries, some strands have sought to determine its transformative potential vis-à-vis capitalist social relations. In an attempt to contribute to the latter debate, this paper introduces an analytical framework for the assessment of Fairtrade built on the basis of the French Regulation Approach. This perspective, which focuses on the specific ways in which Fairtrade structures and institutionalizes socioeconomic relations, seeks to examine this system from a holistic perspective, privileging the analysis of the qualitative changes it produces in economic institutions and structures. This article presents the main assumptions and concepts developed by the Regulation Approach and proposes a case-based research design that uses them to analyze how transformative Fairtrade proves to be and the impacts it produces on specific economic sectors. This methodological exposition is illustrated with examples from the case of Fairtrade wine produced in Argentina and consumed in the United Kingdom.

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1. INTRODUCTION

The Fair Trade movement describes itself as a promoter of alternative forms of production and commercialization that “contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers” (www.ifat.org, accessed July 27, 2010). Through the development of a labeling system based on the use of standards, audits and certifications, Fairtrade International (FLO) seeks to contest “unfair” economic arrangements with the introduction of alternative ones, which are expected to favor marginalized producers and workers in the global South. In this way, FLO’s enterprise is presented and promoted as a challenge to conventional economic relations.

Given FLO’s ambitious aims and transformative aspirations, the question around its actual capacity to structure alternative relations of production, trade and consumption becomes a fundamental one. Such enquiry requires determining whether Fairtrade transforms economic institutions in favor of small producers and workers or rather seeks to reposition them within the existing economic system. Answering this question demands going beyond quantitative measurements of impacts on beneficiaries (e.g., Bacon, 2005; Balineau, 2013; Barham, Callenes, Gitter, Lewis, & Weber, 2011; Barham & Weber, 2012; Becchetti & Constantino, 2008; Elder, Zerriffi, & Le Billon, 2012; Ruben & Fort, 2012) in order to develop a more qualitative analysis of the specific ways in which Fairtrade institutionalizes key socioeconomic relations.

With that goal in mind, this article introduces an approach for the assessment of Fairtrade on the basis of the main concepts developed by the French Regulation Approach. Such a perspective makes possible to identify critical economic institutions, examine their structuration in the conventional econ-

omy and contrast them with the concrete ways in which FLO seeks to modify them. In this way, an innovative theoretical and analytical framework for the study of Fairtrade is provided, making possible to assess how transformative a Fairtrade “mode of regulation” is and the particular effects that spring from its concrete coupling with specific economic sectors.

In order to introduce the distinctive features of a regulationist analytical framework, this article begins with a review of the different perspectives that have been used to assess Fairtrade’s transformative potential vis-à-vis capitalist structures. It then continues with a presentation of the key theoretical assumptions and concepts developed by the Regulation Approach. The following section describes the central elements of a regulationist research design: its first part explains the understanding of case study that underlies this approach, while the second one presents its main analytical operations. Lastly, I draw on my current research on the case of Fairtrade wine produced in Argentina and consumed in the United Kingdom (UK) in order to exemplify the application of this framework.

2. FAIRTRADE AND CAPITALISM: A LITERATURE REVIEW

Given FLO’s vision of “a world in which justice and sustainable development are at the heart of trade structures and prac-

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tices” (WFTO and FLO, 2009, p. 6), it is not surprising that a good deal of the literature has attempted to determine whether Fairtrade structures alternative socioeconomic relations that guarantee the sustainable development of its beneficiaries or whether it simply provides them with better tools for survival (Fridell, 2006; Le Mare, 2008). More generally, this objective is guided by the question on Fairtrade’s relation with—or its place within—capitalism. Two paradigmatic debates in the literature have explicitly addressed this concern.

The first one has been developed around Polanyi’s notion of the “double movement”. Polanyi (2001, p. 63) describes two movements: the first one, seeking to expand the logic of market relations to society as a whole, produces a situation in which “instead of economy being embedded in social relations, social relations are embedded in the economic system”. This movement, subsequently, triggers a countermovement of social protection that attempts to re-embed the market in social relations. Reynolds (2000, 2002, 2012) has described Fairtrade as a Polanyian countermovement. Consumers, producers, workers, businesses, NGOs, and activists, all come together in the attempt to enforce the social regulation of market activities, which can be interpreted as “a challenge to the dominance of abstract economic principles and a move to re-embed international trade within social relationships” (Reynolds, 2012, p. 279). Archer and Fritsch (2010) and Barham (2002) have also characterized Fairtrade as a Polanyian strategy for re-embedding markets. Jaffee (2012), instead, offers a more nuanced view. From an analytical perspective, he argues, the Polanyian approach cannot have one unequivocal say about Fairtrade because the system’s degree of embeddedness has changed over time. Lastly, Watson (2006, p. 440) has been skeptical of Fairtrade’s attempt to re-embed market relations while working within, and relying on, market institutions: “it is difficult to see, when adopting a Polanyian perspective, exactly how far the re-personalization of the trading relationship can go under current conditions of fair trade.”

The second debate builds on Marx’s (Marx, 1991, pp. 165–166) concept of commodity fetishism: “to the producers, therefore, the social relations between their private labors appear as what they are, i.e., they do not appear as direct social relations between persons in their work, but rather as material relations between persons and social relations between things”. This debate was triggered by Hudson and Hudson (2003, p. 428) who claimed that Fairtrade “provides a much-needed antidote to the cult of the commodity that currently dominates society, not only by encouraging consumers to consider the production process of commodities but also by fostering a genuinely transformative alternative form of production in the South”. Standing at odds, Fridell (2007, p. 79) affirms that Fairtrade provides only a “symbolic challenge” because it attempts to battle commodity fetishism “by promoting a different attitude toward market exchanges, while neglecting that it is not an attitude but a specific set of social relations of production that result in the imperatives of the capitalist market” (Fridell, 2007, p. 99). In between both views, Watson (2006) and Bryant and Goodman (2004) have argued that Fairtrade has not eliminated, but does not simply reproduce the fetishism of commodities: it, instead, has “reworked” it in a way that makes it possible to yield some benefits for producers and workers, but without actually challenging capitalist economic relations.

While the concepts of “the double movement” and “commodity fetishism” make it possible to steer the analysis in the direction of Fairtrade’s relation with capitalism, the varied and contradictory conclusions they have led to seem to evi-

dence that both concepts are still too broad and unspecific in order to provide criteria for a fine-tuned evaluation of this initiative’s potential to challenge conventional economic relations. It is against this backdrop that this paper introduces a regulationist analytical framework for the assessment of Fairtrade.

In presenting this perspective, I am inspired by pioneering work in the field guided by convention theory and its intention to determine the lines along which Fairtrade seeks to (re)define quality conventions by promoting alternative principles of justification in opposition to market ones, and to what extent it has been successful (e.g., Reynolds, 2002, 2009, 2012, 2014; Renard, 2003, 2005). However, convention theory is still a limited frame of analysis due to its inability to look at the wider structures and power relations that underlie and condition the justificatory practices that this literature explores. In this respect, a regulationist perspective is closer to the Global Value Chain (GVC) strand, as it shares its holistic aspirations and commitment to the analysis of the interrelations between the spheres of production, circulation and consumption (e.g., Jaffee, 2012; Macdonald, 2007; Reynolds & Wilkinson, 2007, p. 36; Reed, 2009; Valkila, Haaparanta, & Niemi, 2010). Nevertheless, it has to be acknowledged that the GVC perspective lacks a deeper conceptualization of Fairtrade, as its main contribution seems to be limited to the methodological precept of ‘following the chain’ and analyzing coordination among its links.

All in all, acknowledging the important developments evidenced by the Fairtrade literature in the last 15 years, but also recognizing some of its shortcomings, a regulationist framework offers a powerful perspective for the examination of Fairtrade’s relationship with capitalism. It does so by providing more specific criteria for analysis than work inspired by Polanyi’s double movement and Marx’s commodity fetishism. In its attempt to analyze Fairtrade’s transformative potential, it complements the efforts of scholars working with convention theory by offering a macro perspective of analysis capable of accounting for structural conditions and power relations, while it contributes to the GVC literature by offering deeper conceptual foundations for the analysis.

3. THE REGULATION APPROACH: KEY CONCEPTS

The Regulation Approach (RA) understands social relations as essentially contradictory (Billaudot, 1996, p. 32), and that is why it emphasizes the fragility of social arrangements and the always-present possibility of conflicts and transformations. While social reality is characterized by underlying tensions and change, it is also true that certain periods of stability can be achieved, and this is what the RA seeks to explain. Within the field of political economy, this concern can be summarized by the question: how is accumulation achieved in spite of the contradictory social relations that constitute it? According to the RA, accumulation becomes possible only when the tensions inherent to contradictory social relations can be channeled in a way that makes them compatible with regular accumulation. It is within this frame that the RA has developed its main concepts, which I now present.

The concept of *regime of accumulation* is used to describe a long term macroeconomic situation in which the allocation and distribution of social production has been stabilized in such a way that the transformations in the conditions of production and the transformations in the conditions of consumption evolve in parallel, keeping a complementary pattern (cf. Lipietz, 1983, p. xv, 1988, p. 31). When such a

regime is settled, it means that the distortions and disequilibria that are inherent to the process itself have been reabsorbed, allowing accumulation to occur in a relatively coherent fashion. Such a stability in capital accumulation depends on the alignments of a set of regularities that have to do with: a specific way of organizing production and the relation of wage-earners to the means of production; a temporal horizon of capital valorization upon which managerial principles are organized; a distribution of value allowing the reproduction and development of different social classes; a composition of social demand that validates the evolution of productive capacities; and an articulation with non-capitalist economic forms when they are of relevance (Boyer, 1990, p. 35, 2004, p. 36).

A *mode of regulation* is defined as the coherent combination of compatible structural forms that at certain point in history becomes able to adjust, guide or coerce individual and social behavior in such a way that the regime of accumulation becomes stabilized (cf. Boyer & Saillard, 2002, p. 64; Lipietz, 1983, pp. xvi–xviii). By ensuring over time the compatibility of multiple, decentralized, and conflictive procedures and decisions, a mode of regulation is not only able to support and steer a regime of accumulation, but also to make possible the reproduction of fundamental capitalist social relations (Boyer, 1990, p. 43). In this way, an economic system can only be conceived as socially constituted, since its conditions of possibility depend on an array of institutions, networks, rules, and norms that postpone its inherent tendencies to crisis and make accumulation possible. The coherence and stability of a mode of regulation should not be taken for granted. On the contrary, these arrangements are never the outcome of conscious negotiations and agreements but a place where hostile forces meet (Lipietz, 1995, p. 41), the product of class struggle and, as such, the transitory expression of the balance of forces. Consequently, empirical examination will most of the times make visible inconsistencies, heterogeneity and tensions within any given mode of regulation.

A mode of regulation emerges from the combination of a group of coherent *structural or institutional forms*, which are defined as the configuration or codification that fundamental social relations assume at a specific time (cf. Boyer, 1990, p. 17). They are the transitory arrangements that help social relations to reproduce (Aglietta, 2000, p. 29), and are therefore the main formations that the RA seeks to analyze. Structural forms adjust the heterogeneous decisions of economic agents, originating in this way regularities in individual and collective action and, ultimately, in the accumulation of capital. The relations of exchange and production typical of the capitalist mode of production are mainly made viable and normalized by three structural or institutional forms: the *wage relation*, a *monetary regime* and a form of *competition*. Additionally, two other fundamental forms have been identified—the *state* and the *form of insertion into the international regime*—, completing what has come to be known as the five main institutional forms (Boyer, 1990, 2004).

Regulationists regard the *wage relation* as the central structural form, as it is the social relation that best represents the essence of the capitalist mode of production (Aglietta, 2000, p. 380; Lipietz, 1988, p. 26). The conflictive nature inherent to the wage relation faces a whole set of institutional, juridical and organization arrangements that seek to overcome it and make accumulation possible: effort norms, control measures, incentivizing remunerations, collective negotiations, etc. (Boyer, 2004, p. 22). The specific organization of the productive process, its duration, the level of wages, social benefits, definition of rights and duties and other conditions are the

result of capitalists' maneuvers within settled norms, rules and dispositions, which appear as sedimentations of previous conflicts between capital and labor. Therefore, the wage relation form can be understood as the configuration of the labor/capital relation, composed by types of work organization, modalities of the worker's reproduction and their lifestyles (Boyer, 2004, p. 39). *Money* is the institution at the base of market economies, since it is the means through which the relations between centers of accumulation, wage earners, and other commodity subjects are established (Boyer, 1990, p. 37). Its regulation is governed by a hierarchical system, with commercial banks lending credits to consumers and firms under the conditions imposed by a central bank that is in charge of the emission of legal money. According to Boyer (2004, p. 23) *competition* is the third institutional form that gives its distinctive character to market economies. The competition form seeks to explain the way in which different centers of accumulation organize their relations (Boyer, 1990, p. 39) and the processes of price formation that emerge from those dynamics (Boyer & Saillard, 2002, p. 562). The *state* is defined as the often contradictory totality of institutionalized compromises that, once settled, creates semiautomatic rules and regularities in the expenditures, public revenues and the orientation of regulations (cf. Boyer & Saillard, 2002, p. 63). Lastly, the *form of insertion into the international regime* comprises the set of rules that organize the relations between a national economy and the rest of the world (cf. Boyer, 2004, p. 30).

The main concepts developed by the RA belong to a macroeconomic level of analysis. However, when it comes to the study of Fairtrade a sectorial perspective needs to be adopted. I will therefore understand a *sectorial mode of regulation* as a meeting point between those features defined at the global level (national and/or supranational) of regulation and those other ones which are determined within the particular industry under examination (for a deeper discussion on the notion of a sectorial mode of regulation, see: Staricco, 2015, pp. 52–58).

Additionally, while I have decided to work with the original five structural forms, I also consider relevant to include a sixth one: *the representation of the product*. A sector is conformed around a particular (or a group of) product(s). Consequently, the dominant representation of a product is a key feature in order to draw the limits of a particular sector and, more importantly, to understand the way in which social relations of production, circulation, and consumption within the sector come to be articulated in specific ways (cf. Bartoli & Boulet, 1990; Touzard, 1994, p. 298). This means that the process of “sectorialization” (Bartoli & Boulet, 1990, p. 12) is not objectively given by the existence of a functional division of the economy, but emerges as the crystallization of the temporary balance of forces between the players involved in the sphere of activity and their conflicting definitions. The representation of the product, therefore, becomes a fundamental institution when it comes to economic sectors and that is why it will be considered here as a sixth structural form, together with the already mentioned wage relation, competition, money, state, and international insertion.

Besides being necessary for an accurate analysis of my object of study, a sectorial perspective makes possible to overcome some of the weaknesses that the original formulation of the RA presents. In the first place, adopting a sectorial perspective allows overcoming the reification of the nation state as a “natural” scale of analysis, as classical regulationist works seemed to assume (Holman, 1996, pp. 11–13; Overbeek, 2004, pp. 115, 123). In this way, focusing on a specific product and

its journey from production to consumption makes visible the transnational nature of the Fairtrade mode of regulation. In the second place, incorporating the representation of the product structural form makes possible to transcend some of the economic tendencies that have been identified in the RA (cf. Jessop & Sum, 2006) and integrate the role of social representations and symbolic constructions into the analysis.

4. A REGULATIONIST RESEARCH DESIGN

This section puts forward the research design for the assessment of Fairtrade that has been built on the basis of the main concepts and assumptions developed by the RA. This exposition is done in two parts: a first subsection explains the understanding of case study around which this design has been built, while a second subsection describes the different analytical steps that are to be undertaken in order to deploy this framework in an empirical analysis.

(a) *Case-based empirical research: a dialectical approach*

The regulationist methodological framework presented here has been developed in order to guide case-based empirical research—more specifically for Fairtrade: the analysis of its implementation in relation to a particular product or sector within given geographical areas. Hence, before advancing to the different analytical steps that this research design involves, it becomes fundamental to explicit the understanding of case study at its base and its implications for the process of inquiry.

In opposition to Yin (2009), who proposes to understand case study as a “research method”, I would rather agree with Stake (2005, p. 443) when he states that “case study is not a methodological choice but a choice of what is to be studied”. A case study is not intrinsically related to any particular set of methods; therefore, it is more precise to define it as a logic of inquiry that attempts to analyze a social phenomenon through the close examination of one of its concrete manifestations. Developing a research design around a case study provides a particular way of delimiting the empirical reference of our enterprise (Stake, 2005, p. 444). Therefore, the case-study approach is characterized not so much by the identification and selection of a unit of analysis as by the construction of the case itself: by the enunciation of the characteristics that make it a case of a broader category and the drawing of the borders that make it a specific phenomenon within that same category. Hence, a case study can be understood as an approach that strips off a thread from the overall fabric of social reality and, in order to make it accessible to the process of analysis, builds it as a case.

The overall logic adopted by a research design based on a case will change fundamentally according to the researcher’s understanding of a case and its relation to the general. In this respect, it is possible to identify two polar positions. On the one hand, we find a *particularist* paradigm that sees case study as a powerful tool for the detailed examination of the complexity and uniqueness evidenced by a single phenomenon (e.g., Simons, 2009; Thomas, 2011). On the other hand, we find a *generalizing* view, according to which the findings of a case study can be generalized when the case selected proves to be representative of a wider group or population (e.g., Flyvbjerg, 2006; Gomm, Hammersley, & Foster, 2009; Hammersley, 2012).

The approach to case study that underlies this regulationist perspective seeks to overcome the dualist opposition between the particularist—which restricts the analysis to the unique

features of the particular—and the generalizing—which simplifies the constitutive complexity of the case and its relation to the general—paradigms. Even if both positions stand at odds in their understanding of case study, they share a common view of the case as a *homogeneous unit*, which is either totally unique or fully representative of a more general category.

Instead, I would like to propose what I call a *dialectical* interpretation of case study, which is based on a historical materialist understanding of the relationship between the general and the particular. According to Marx (1993, p. 85), the point of departure for the scientific method ought to be a general category, this is, an abstraction that emerges from the common elements identified through the comparison of a variety of historical phenomena. In this way, the construction of general categories becomes a useful point of departure as far as it identifies certain essential components that constitute what we call, for example, “production”, irrespectively of the different specificities it might acquire in concrete historical contexts (e.g., capitalist production). While this abstraction of the defining features of a category is necessary in order to make them thinkable by the human mind (Dussel, 1985, p. 33), the general concept, nevertheless, does not represent any particular, concrete, social process, making it unfit for empirical examination (Marx, 1993, p. 88). The abstract, which is initially useful due to its simplicity, obscures the complexity that characterizes empirical phenomena, as the emphasis that the general concept puts on common features does not account for the fact that it “is itself segmented many times over and splits into different determinations” (Marx, 1993, p. 85). When turning to concrete phenomena, Marx identifies a variety of determinations and he differentiates them according to their degree of generality, as some of these determinations might belong to all epochs (or contexts) while others only to a few.

In the shift from the abstract and simple (general) to the concrete and complex (particular) we begin to move beyond the universal determinants that are common to all cases of a general category and start to acknowledge the more specific determinations that belong only to particular contexts. “Concrete production” emerges as the unity of those determinations that are common to all forms of production (production in general) and those other ones that are specific to the historical case under examination. In this sense, the case can be understood as a *heterogeneous unit* that is crossed by the presence of general and universal features (grasped by the abstract concept), particular and specific determinations (that are unique to the concrete case) and a variety of other intermediate (more or less general) elements.

In this way, a case is best understood as a unit composed of various elements or layers that relate differently to the categories of the general and the particular. To consider the case as a thread of social reality that has been ripped off from the wider social fabric and further modeled by the researcher in order to make it comprehensible rejects a reified view—this is, an interpretation of the case as a self-contained unit—and highlights its intrinsic connection to a wider set of social relations.

The implications of a dialectical understanding of case study for the assessment of Fairtrade shall be easy to draw. In the first place, Fairtrade can be understood as a general concept, as a set of universal determinations that are common to all cases. In this way, it is possible to say that there are certain elements that make Fairtrade what it is (e.g., the use of standards, certifications and labels, its governance structure or its market-based, consumption-led, logic) that will be shared

by cases so different as wine produced in Argentina and consumed in the UK or coffee produced in Uganda and consumed in Canada. However, in the movement from the abstract to the concrete, many local determinations emerge, modifying and qualifying the initial concept of Fairtrade we had departed from. Hence, Fairtrade will acquire certain distinctive characteristics in the case of small producer organizations vis-à-vis plantations, or evidence very different effects when shifting the focus from one product or country to the other. Finally, the in-depth analysis of the implementation of FLO's regulations for a single product in specific geographical areas (e.g., wine produced in Argentina and consumed in the United Kingdom), will offer access to the most concrete and case-bounded determinations.

This means that even the study of one Fairtrade product in a specific geographical context already provides an entry point to the study of some of the more general features of the system. It becomes a fundamental task for the researcher, hence, to identify the different levels of generality and singularity involved in a single case in order to discriminate her or his analysis and conclusions accordingly.

(b) *Assessing Fairtrade: three analytical steps*

There are two main ways in which regulationist concepts can prove to be enriching heuristic tools for the assessment of Fairtrade. In the first place, one can compare the characteristics of a "Fairtrade mode of regulation" (through the analysis of its six structural forms) with those of a "conventional" (or non-Fairtrade) mode of regulation. In this way, it will be possible to determine the structural forms that Fairtrade tackles, in which ways this is done and the degree of transformation proposed. In the second place, one can examine the effects produced by the coupling between a Fairtrade mode of regulation and the regime of accumulation in the sector under study. The first strategy, therefore, is of fundamental importance in order to determine how alternative a Fairtrade mode of regulation may be in comparison to the conventional mode of regulation. The second strategy, instead, would take a further step and analyze what the concrete consequences of this Fairtrade mode of regulation are when put to work in the context of a specific regime of accumulation. This section describes the different steps that a research design shall comprise in order to deploy both analytical strategies.

The goal of the *first step* is to produce a regulationist reading of the chosen "conventional" economic sector. By conventional I simply mean the non- or pre-Fairtrade characteristics of the sector. This analysis comprises two main elements. First, the sectorial regime of accumulation is to be reconstructed. The main goal here is to describe how accumulation is achieved by observing the main patterns of production, consumption and circulation. A historical evolution of the regime of accumulation may prove useful in order to understand its crises, how they were (not) overcome and its current tendencies. Second, by examining each of its six structural forms, an overview of the sectorial mode of regulation shall be presented. Here it is important to highlight that while the structural forms are quite broad in their theoretical definition, the empirical context of application will define which of their aspects become more relevant for the analysis. Both elements, the sectorial regime of accumulation and mode of regulation, will have to be understood as the meeting point between sector specific and global forces, what highlights the relevance of studying the interaction between the national and sectorial regimes of accumulation and modes of regulation.

This first step works both as a description and a diagnosis. It is a description because it accounts for the main elements of the conventional mode of regulation and regime of accumulation, but it is also a diagnosis because it identifies the problems and challenges faced by small producers and/or workers within the actual sectorial setup. In this respect, the researcher's task is—according to the data gathered, previous literature and the testimonies obtained from the actors involved—to determine what the main difficulties faced by those actors that Fairtrade attempts to help are. Hence, this analysis will provide the threshold against which the Fairtrade mode of regulation will be evaluated.

This first step already involves an important degree of concretization, as it delimits the process of inquiry to one particular sector within a given geographical area. Given the fact that the sectorial level is understood as the meeting point between global macroeconomic tendencies and sector specific features, this process of concretization is done in two stages: first, by identifying the evolution of the macroeconomic regime of accumulation and mode of regulation and, second, by analyzing the interrelated transformations of the chosen sectorial regime of accumulation and mode of regulation.

The *second step* is to describe the Fairtrade mode of regulation. This is done by analyzing how Fairtrade seeks to structure each of the six institutional forms. This analysis needs to be done at two separate levels. Firstly, determining the "ideal-type" Fairtrade mode of regulation—this is, as it is defined in the relevant standards and rules. This will allow for a more superficial but general analysis of the Fairtrade mode of regulation, based on the face value of FLO's regulations. Secondly, reconstructing the "actually existing" Fairtrade mode of regulation—this is, as it takes place in practice—, since both may present differences. From my experience, not all the elements stipulated in the standard are applied in practice or even if applied, they are sometimes modified or produce unintended consequences. This differentiation between the Fairtrade mode of regulation "in the standards" and "in practice" may already offer some interesting inputs for analysis, as it will present some gaps between the goals posed by the standards and their empirical application.

This distinction between the "ideal-type" and "actually existing" Fairtrade modes of regulation makes possible to conduct the examination at two different levels of generality. The former is based on the standards and rules developed by FLO—usually written for a particular type of actor (small producer organizations, plantations or traders) and including some product specific requirements. Hence, all actors comprised within a common category are to be governed by these same regulations independently of their concrete situations. The latter, instead, looks at the characteristics that the Fairtrade mode of regulation acquires when implemented in the specific case under examination, granting importance to many local determinations that were not relevant in the previous analysis.

The *third step* of the research process is to assess how transformative Fairtrade proves to be. This moment will be divided in two different stages: first, a comparison between the conventional and the Fairtrade modes of regulation; second, an analysis of the effects derived from the coupling of the Fairtrade mode of regulation and the sectorial regime of accumulation.

The first stage consists of the comparison between the conventional mode of regulation and the Fairtrade one and the examination of what the main transformations that the latter entails are. The main contrast is done between the conventional mode of regulation and the actually existing Fairtrade mode of regulation. In order to determine the relevance of

the Fairtrade mode of regulation for the sector under examination, the researcher begins by identifying all the innovations that the latter entails when compared to the conventional mode of regulation and then, more importantly, evaluates them in the light of the diagnosis made in the first step: do the alternatives put forward by the Fairtrade mode of regulation tackle the main reasons behind the marginalization of small producers and workers? And if that is the case, do they eliminate these causes (i.e., *major transformation*) or soften their effects (i.e., *minor transformation*)?

After the main conclusions are drawn, a secondary comparison is done between the conventional mode of regulation and the ideal-typical one, but only in relation to those aspects that become relevant. This assumes the form of a counterfactual exercise, by answering the question: “could the Fairtrade mode of regulation be considered more or less transformative, had it presented all the features as defined in the standard?” In this way, the assessment first looks at the transformative capacity and shortcomings of the Fairtrade mode of regulation. Second, it evaluates whether those shortcomings are the consequence of failures in the implementation of the standards in the specific case under study or derive from the more general features of the standards themselves.

The second stage of this assessment identifies the specific consequences produced by the coupling of the Fairtrade mode of regulation and the sectorial regime of accumulation. This analysis seeks to address questions such as: what are the impacts of the Fairtrade mode of regulation on the current patterns of production, consumption and circulation? How does it relate to the dominant strategy of accumulation? Does the Fairtrade mode of regulation provide an alternative for those groups that currently occupy marginal positions in the sectorial regime of accumulation?

When it comes to the first stage of the assessment of the Fairtrade mode of regulation, it is possible to identify various levels of generality, since it will be possible to assess differently those aspects of the Fairtrade mode of regulation that are (1) specific to the case under examination, (2) common to the whole Fairtrade universe (derived from those aspects of the standards that are faced by all actors in the system) and (3) common to the actors involved in the chosen Fairtrade sector (as a consequence of the product-specific standards). The second stage of the assessment of the Fairtrade mode of regulation, instead, will be characterized by its high level of concreteness, as the analysis of the coupling between the Fairtrade mode of regulation and the sectorial regime of accumulation will be restricted to the specific features and determinations found in the case under examination.

5. APPLYING THE FRAMEWORK: THE CASE OF FAIRTRADE WINE PRODUCED IN ARGENTINA AND CONSUMED IN THE UK

In this section, I illustrate the regulationist framework presented so far with examples taken from my current research on the case of Fairtrade wine produced in Argentina and consumed in the UK. The evidence presented here is based on fieldwork conducted between August 2013 and March 2014 in Argentina and the UK. In Argentina, a total of 45 semi-structured in-depth interviews were carried with representatives of certified and non-certified wineries, grape growers and traders, workers, sectorial entities, relevant state agencies, Fairtrade International, other Fairtrade initiatives and FLO-CERT. In the UK, 13 semi-structured in-depth interviews were conducted with Fairtrade wine importers, the Fairtrade

strategy manager and wine buyer of the biggest Fairtrade wine retailer and participants in Fairtrade wine events. In both countries interviewees were first chosen according to a theoretical sampling (in order to make sure that all relevant categories of actors were included) and, second, concrete individuals were selected according to a snowball sampling.

Additionally, over 40 documents produced by Fairtrade International were collected. I was able to build an archive consisting of annual reports, all the relevant standards and regulations for certification, different kinds of diffusion and promotional materials, and other important institutional documents such as the Fair Trade Charter of Values and Fairtrade International’s constitution. Furthermore, documents related to the wine industry were collected, consisting mainly of national and provincial legislation and the industry’s regulations. Lastly, statistical databases and secondary sources were used to account for Argentina’s wine sector historical evolution. Table 1 summarizes the different types of data used, how they were analyzed and their relevance for each analytical step.

(a) First step: describing the conventional sector

(i) The regime of accumulation of the Argentinean wine sector

Historically, the Argentinean wine industry had been structured around a *quantity-led regime of accumulation*, based on the elaboration of table wine for mass local consumption. The focus was put on the provision of low-quality wine for a quite homogeneous national demand, with exports to neighboring countries having a very marginal role (Mateu, 2007). While recurrent depressions had always characterized the sector, the crisis that took place between the 1970s and 1990s proved to be a major landmark. During these two decades the industry was not only faced to the usual problem of over-supply, but this time the situation was worsened by a constantly diminishing rate of local consumption (Stein, 2008).

At the international level, however, the segment known as “new world wines” was experiencing an increase in demand and prestige, what presented an opportunity for Argentinean producers as a way of insertion into the global market. To do so, nevertheless, a major process of reconversion was needed. While up to the moment the success of accumulation had been determined by quantity, the emergent focus on fine wine settled new parameters that were now determined by the idea of quality: profits are not to be obtained by the growing volume of sales, but by the upgrade in the quality and value of each individual unit (Maclaine Pont & Thomas, 2012). This idea was at the base of the emergence of a *quality-led regime of accumulation*.

The process of reconversion has been driven by wineries, making them the most important actors in the chain. They have moved from merely turning grapes into wine to acquiring a fundamental role in the adaptation of primary production (through the settlement of their own vineyards or the cooperation with semi-independent producers) and assuming an active role in the areas of commercialization and international trade (Azpiazu & Basualdo, 2003). This initial lead by the wineries produced a duality between the primary (dominated by small producers, low productivity and poor quality) and secondary sectors (with internationalizing companies, concerns for high quality and growing productivity). The duality between primary and secondary sectors has been accompanied by another one opposing the production of high-quality grapes and the production of grapes for table wine. This latter group has remained part of the quantity-led regime of accu-

Table 1. *Correspondence between analytical steps, goals, data sources and data analysis*

Step	Goal	Data sources	Data analysis
1st Conventional wine sector	To reconstruct the current sectorial regime of accumulation and its recent historical evolution	– Primary: statistical databases, interviews. – Secondary: academic literature.	– Academic literature was initially used to account for the main elements of the regime of accumulation. These findings were later on cross-checked and improved with statistical data and interview material.
	To reconstruct the current sectorial mode of regulation and its recent historical evolution	– Primary: documents (regulations, laws, agreements, standards, national and provincial regulations), interviews. – Secondary: academic literature.	– Academic literature was initially used to flesh out the six structural forms. These findings were later on cross-checked and improved with interview and documentary material.
2nd Fairtrade mode of regulation	To reconstruct the Fairtrade mode of regulation “in the standards”	– Primary: standards and their explanatory documents.	– Content analysis
	To reconstruct the Fairtrade mode of regulation “in practice”	– Primary: interviews.	– Content analysis of interview material and meaning condensation for each institutional form resulting from the overlapping answers of actors with different roles and interests. – Data were used to account for Fairtrade’s structuration of social relations.
3rd Assessment of the Fairtrade mode of regulation	To contrast the conventional and Fairtrade modes of regulation	– Description and diagnosis of the conventional mode of regulation made in the 1st step. – Description of the Fairtrade mode of regulation made in the 2nd step.	– First, a comparison between the conventional and Fairtrade modes of regulation was done in order to determine the alternatives provided by the latter. – Second, the transformative potential of the innovations found in the Fairtrade mode of regulation were assessed in relation to the problems identified during the diagnosis of the 1st step.
	To identify the effects of the coupling between the Fairtrade mode of regulation and the sectorial regime of accumulation	– Description and diagnosis of the conventional regime of accumulation made in the 1st step. – Description of the Fairtrade mode of regulation made in the 2nd step.	– Once the innovative elements of the Fairtrade mode of regulation were identified, I sought to determine their concrete effects when articulated with the regime of accumulation of the Argentinean wine industry.

mulation that still subsists. Mainly oriented to the internal market, this regime of accumulation portrays an oligopsonistic structure, where three major wineries dominate the elaboration, bottling and commercialization of wine and represent the only business possibilities for low-quality grape producers (Miranda, 2014). The quantity-led regime of accumulation has been able to continue subsisting due to the still much higher rates of table wine consumption in the internal market. However, the tendency of the last decades has not only evidenced a decline in the overall wine consumption, but also a slow, though steady, shift toward fine wines. Decreasing levels of table wine consumption, together with constant drops in the value of this product, are the drivers of the steady shrinking of the quantity-led regime of accumulation.

All in all, it can be concluded that currently the wine industry in Argentina is composed by two differentiated regimes of accumulation, with the more dynamic quality-led one having achieved a dominant position and the traditional quantity-led one struggling for its sustainability (cf. Staricco & Ponte, 2015, pp. 69–71).

(ii) *The conventional mode of regulation of the Argentinean wine sector*

Due to space limitations, I cannot describe in detail all six structural forms that compose the conventional mode of regu-

lation of the Argentinean wine sector. However, Table 2 offers a summary of the main findings provided by the analysis.

If one is to assess Fairtrade as an alternative for the advancement of marginalized producers and workers, this overview of the conventional mode of regulation (description) shall be helpful in order to identify the most problematic issues that they currently face in the Argentinean wine sector (diagnosis) and, consequently, those areas where the intervention of Fairtrade would be most relevant. Three key structural forms were found to be particularly important during the analysis.

In relation to *work conditions* and *wage determinants* (two elements of the *wage relation*), it has been found that, even if most aspects are regulated by collective bargaining agreements, many problems persist as a consequence of the flexibilization of work relations—which is especially evident in the ad hoc hiring for temporary tasks and subcontracting through intermediary companies.

The *competition* form is structured very differently in the local and international markets, posing different challenges to the actors that engage in each of them. Internationally, Argentinean producers do not have any power to influence the *processes of price formation*. As a consequence, they need to enter into price-based competition within different price bands for determined levels of quality. The local market, instead, where table wine is still the most important product,

Table 2. *Summary of the conventional mode of regulation of the Argentinean wine sector*

Institutional forms	Conventional mode of regulation
Wage relation	Work conditions – Flexibilization of work relations and increase in contract work. – Most conditions defined by sectorial collective bargain agreement (CBA).
	Wage determinants – Direct wages: determined by CBA. – Indirect wages: partly determined by CBA and the state.
Competition	Price formation – Quantity-led regime of accumulation: mostly determined by an oligopsonistic structure. – Quality-led regime of accumulation: closer to ‘perfect’ competition.
	Form of competition – Quantity-led regime of accumulation: oligopsonistic competition. – Quality-led regime of accumulation: price-based competition within differentiated qualities.
Money	System of payments – Informal agreements, no use of formal contracts. – Wage-like (12 installments), especially for low-quality grapes supply; fewer installments for higher quality.
	Credits – Limited possibility of credit for investment. – Harvest and haulage advance payment system (by buyers).
State	Rulemaking role – Wider macroeconomic regulation by national state. – Sector-level regulations, mostly by provincial, sectorial, and hybrid institutions.
	As an actor – At the provincial level: possibility of providing credit, buying wine. – Emergence of hybrid (private/public) institutions.
Representation of the product	– Dominance of a quantity-based representation in the internal market, though losing ground to a quality-based one. – Dominance of a quality-based representation in the international market.
International insertion	– Main option for the dominant quality-led regime of accumulation. – Facing difficulties due to internal inflation, fixed exchange rates and price sensitive demand.

Source: modified and extended version of table previously published in [Staricco & Ponte \(2015\)](#).

is dominated by three main companies that are responsible for over 60% of the commercialized wine. This high level of concentration grants them, on the one hand, oligopsonistic power vis-à-vis the multiple, and mostly small, grape producers, who have no power to influence the process of price formation. On the other hand, these three dominant groups exercise oligopolistic power in the process of price formation of table wine. The situation of quality wines in the local market resembles, instead, the *competition logic* of the world market, where an important number of wine producers, each with relatively small market shares, enters processes of price formation which are closer to the so-called perfect competition.

Lastly, and in relation to the *system of payments* (part of the *money* institutional form), one of the most problematic characteristics of the Argentinean wine industry is the little use of formal contracts between grape producers and wineries. Agreements are mostly informal, increasing the vulnerability of small producers vis-à-vis their buyers. Additionally, payments assume a wage-like format, in which producers are paid in 12 installments throughout the year. While contracts are neither used in the quality-led regime of accumulation, grape producers attached to it tend to be paid in fewer installments.

(b) *Second step: describing the Fairtrade mode of regulation*

The Fairtrade sector in Argentina is still relatively young—the first certification was granted in 2005—and small, with a total of 19 certified organizations. At the time of my fieldwork, there were 11 certified organizations for wine and wine grapes in Argentina, making it the most important product in the Fairtrade sphere. Five of them were certified as Hired Labor (HL), four of them as Trader and two of them as Small Producer Organization (SPO). The majoritarian tendency among them, as it happens in the dominant regime of accumulation, is vertical integration, as six wineries produce Fairtrade wine using exclusively their own certified vineyards. Out of the four

traders, two buy certified wine to a vertically integrated winery, while the other two buy certified grapes to a SPO.

As in the previous section, and due to space constraints, it is impossible to present here a detailed account of all six structural forms that compose the Fairtrade mode of regulation. While [Table 3](#) offers an overview of the Fairtrade mode of regulation—both as it is found in the standards and in practice—in the remainder of this section I will focus on the same institutional forms highlighted as relevant when offering the diagnosis of the conventional mode of regulation.

In the case of the Argentinean wine industry, most of the requirements posed by Fairtrade standards that affect *working conditions* (wages, holidays, leaves, etc.) are defined according to national or sectorial specific regulations. However, it is possible to find a few relevant minimum thresholds that have been set above sectorial regulations, especially in relation to the maximum number of working hours and overtime during harvest and the requirement to hire all workers without intermediaries.

When looking at the “actually existing” Fairtrade mode of regulation, interviews with workers’ representatives, managers, and FLO officials have shown that, because most requirements in the standards are set according to official legislation—and the state and working unions make regular controls—most producer organizations were already fulfilling them at the moment of applying for the certification. Nevertheless, in those aspects where the standards are more demanding than state or sectorial legislation, interviews with wineries’ managers, workers and FLO representatives have shown that Fairtrade has granted exceptions in relation to these rules. For example, some of the bigger wineries have successfully applied for exceptions to the maximum number of working hours during the harvest season or the obligation to progressively limit sub-contracting and increase the number of permanent workers.

It is at the level of *price formation* that Fairtrade introduces one of its most innovative elements: the establishment of a

minimum price defined according to the so-called “costs of sustainable production”, independently from market conditions. Its main goal is to offer producers protection against price drops, assuring that their production will be always sold at a price high enough to cover the costs associated to producing under Fairtrade standards and earning a decent profit.

However, during my fieldwork, it was found that the minimum price was of no relevance for the Argentinean wine industry. During the interviews, grape producers described the minimum price as ridiculously low. The main reason for this is given by the high inflation rates experienced by the country and FLO’s inability to catch up with them. The minimum price was not only well behind actual market prices, but it was so low that producers claimed that it would not have

been useful even as a protection in case of a drop in prices. In relation to wine, both winery representatives and UK importers explained that there was not a minimum price for international transactions of Fairtrade wine.

The *logic of competition* is importantly shaped by the use of certifications and labels, since they grant certain products—and exclude others from—access to the market niche of ethical production/consumption. In this way, it creates a sphere of reduced competition, eliminating non-certified actors. In the case of the Fairtrade wine niche, and because only Southern producers can certify, competition is mostly reduced to producers from South Africa, Chile and Argentina. Additionally, access to this market niche is expected to allow producers to escape from a price-based logic of competition (especially

Table 3. *Summary of the Fairtrade mode of regulation of the Argentinean wine sector*

Institutional forms		Fairtrade mode of regulation	
		In the standards	In practice
Wage Relation	Work conditions	– Most working conditions are set according to state or sectorial regulation; minimum thresholds are defined for some aspects.	– Most organizations already fulfill regulations required by the state or sectorial regulatory bodies. – In cases where the standard is more demanding, many exceptions have been granted.
	Wage determinants	– Direct and indirect wages: determined by the state and collective bargaining agreements (CBA). – Fairtrade Premium.	– Direct and indirect wages: determined by CBA and/or the state. – Fairtrade Premium: indirect wage (hired labor) or direct “wage”/profit (small producer organizations).
Competition	Price formation	– Semi-administered process of price formation (minimum price + premium).	– Weakened by irrelevance of minimum price.
	Form of competition	– Internal market: n/a. – World market: element of ‘ethical’ added value.	– Internal market: n/a. – World market: price still plays an important role in competition between different Fairtrade wine origins.
Money	System of payments	– Long-term relationships based in the use of contracts and sourcing plans (to be confirmed at least three months before harvest). – No more than 30 days to pay after the invoice’s date.	– No long-term relationships; flexible application of 3-month notice. – Very flexible application of rules, payments rarely done within 30 days.
	Credits	– Pre-finance of up to 60% of the total contract.	– Little use of pre-finance, only conventional options applied.
State	Rulemaking role	– National state as the parameter for many aspects of the standard. – In case of contradiction between state regulations and the Fairtrade standard, the most demanding applies.	– Flexibility in favor of companies by Fairtrade International in cases where state regulations and Fairtrade standards contradict each other.
	As an actor	– The state is not given any role as an actor in the Fairtrade standard.	– Potentially important in creating demand. – No involvement by the Argentinean state. – Exploratory interest by local governments in a few provinces.
Representation of the product		– Any product that is produced and commercialized according to FLO’s standards. – Composite products need to source all possible ingredients from Fairtrade producers.	– The increasing importance of quality in relation to Fairtrade and its dominance in the international wine market have privileged the quality-based representation of wine, de facto excluding table wine from Fairtrade.
International Insertion		– Most Fairtrade goods are produced in the South and consumed in the North. – In the last years, some efforts to develop domestic markets for Fairtrade products in the South.	– There is still no development of a Fairtrade market in Argentina, hence, exports are the only viable option.

Source: extended and modified version of tables previously published in Staricco (2015) and Staricco & Ponte (2015).

detrimental for small producers) and bring into the equation some other symbolic and differential product dimensions, making them more competitive through alternative means.

In the process of fieldwork, nevertheless, representatives of SPOs and smaller wineries were critical of the fact that, even if Fairtrade reduces the number of competitors, it does not privilege marginalized actors, allowing big wineries—many owned by transnational groups—to certify too. In this way, in spite of building a market niche, Fairtrade reintroduces inequality by allowing any organization to certify independently of its market position. In relation to the logic of competition, interviews with Argentinean producers, British importers and managers of a major retailer have shown that Fairtrade is effective in offering access to a niche through the use of a certification, but once this new arena of competition has been arranged, the price of the product is still determinant, reproducing, hence, the dominant logic of competition. The paradigmatic example of this is the case of South African wine, which dominates by far the British Fairtrade wine market due to its lower prices.

Lastly, Fairtrade standards stipulate the requirement to develop long-term relationships between producers and buyers based in the use of written contracts. The adoption of such requirement would produce a very important transformation in the *system of payments* that dominates the Argentinean wine sector, characterized by short-term informal agreements. Furthermore, the standards demand a maximum of 30 days for all payments to be done, proposing a quasi-revolutionary change for those producers that have historically been paid in 12 installments.

However, when analyzing the standards' implementation, it is disappointing to find that the first point has simply not been enforced, nor between grape producers and wineries neither between wineries and importers. In the best of cases only "pre-contracts", which are signed at the level of Fairtrade's minimum price, have been signed. But given the fact that this minimum price is totally irrelevant for producers, pre-contracts have offered no advantages. When looking at the second point, it was found that, while the requirement of paying for the whole production within 30 days is not fulfilled, certified grape producers have benefited from a reduction in the number of installments (e.g., two, three or six according to the volume of their sale).

(c) *Third step: assessing the Fairtrade mode of regulation*

(i) *Comparing the conventional and Fairtrade modes of regulation*

The comparison of both modes of regulation allows drawing conclusions at two levels. In relation to the standards, a more general level, it can be said that Fairtrade does not attempt to produce structural transformations in the conditions of production and international trade (major transformation), but proposes instead some reforms in order to reposition small producers and workers within those same structures (minor transformation). However, when looking at the more concrete level of the Argentinean wine sector, it becomes evident that the minor transformations proposed by FLO end up being diluted in the process of implementation.

One of the main limitations of the Fairtrade standards is given by their *formalist approach*, this is, FLO's recursive use of state or sectorial regulation as a parameter in order to define many minimum requirements. This fact became particularly visible during the examination of the *wage relation*. In this domain, Fairtrade's most relevant impact can be seen as

a supplement to the state in the inspection and enforcement of national or sectorial regulation. This, of course, shall be welcome as a positive contribution, especially in contexts of low state capacity. However, Fairtrade's adherence to official regulations is ill-equipped to improve the situation of workers and producers in those aspects that are a consequence of those same regulations. This formalist strategy evidences all its limitations when one looks at the case of direct wages. The fact that FLO requires in its standards that all wages should refer to the national or sectorial minimum wage (see Table 3) expresses all the naivety of such a formalist perspective. This is the case because nothing guarantees that a minimum wage will equal a living wage. Hence, if a Fairtrade mode of regulation was to guarantee "fair" wages, this would only be done through the inclusion of a living wage in the standards. Otherwise, Fairtrade would be guaranteeing the legality of wages, but not their fairness.¹

Even if FLO's formalist approach to standard-setting limits the mode of regulation's transformative potential, it is also true that the Fairtrade standards present some elements that differ from the conventional economy and open the doors to interesting innovations. Three aspects of the standards are particularly relevant for the Argentinean wine industry. First, even if FLO mostly bases its work conditions on state regulation, it also introduces its own minimums and requirements, which may differ from the official ones. As it was explained, Fairtrade's requirement in relation to working hours and overtime restrictions, together with its regulations on forms of hiring, would constitute important improvements in the wine sector. Second, the proposal of a minimum price that assures the reproduction of sustainable conditions of production irrespective of market conditions has to be highlighted as Fairtrade's most innovative contribution. Third, FLO requires the establishment of long-term trading relationships between producers and their buyers, which would offer the former foreseeability in relation to volumes, prices and the terms and conditions of exchanges. In this way, even if the Fairtrade mode of regulation is far from proposing major transformations, it can be said that its standards possess a reformist spirit that aims at improving the position of producers and workers in some aspects.

While the analysis of the Fairtrade mode of regulation as it appears in the standards might highlight its reformist tones, the assessment of their implementation offers much more modest conclusions. The analysis presented shows that the three most important areas in which the standards offer opportunities for relevant changes were not fully implemented. Regulations in relation to direct hiring, overtime, and working hours were systematically by-passed with the use of exceptions; minimum prices, when in place, proved to be outdated, being irrelevant in practice but also in the hypothetical case of an overproduction crisis; and last, the requirement to build long-term trading relationships is neither practiced by the certified actors, nor demanded by FLO representatives.

FLO's standards are far from posing major challenges to conventional economic institutions, but offer scope for minor transformations. Nevertheless, these innovations are lost in the process of implementation. This has been a consequence of FLO's tendency to make its own regulations more flexible—or simply ignore them—whenever its requirements have superseded those posed by the state. In this way, the potential offered by the Fairtrade mode of regulation to reposition small producers and workers within the conventional economic framework ended up being withered away by their actual implementation.

(ii) *Analyzing the coupling between the Fairtrade mode of regulation and the regime of accumulation*

I have described above how the Argentinean wine sector is currently divided between those who have reconverted and are now integrated within the quality-led regime of accumulation (an each time more dominant sector) and those others that, because of their lack of resources, have not been able to reconvert their productive activities and are still nowadays attached to the decaying quantity-led regime of accumulation. It is within the latter that we find the most vulnerable actors in the Argentinean wine sector, especially among small wineries and grape growers. These two groups are not only faced with a decline in the value and demand of the commodities they trade, but are also prey to the very concentrated power possessed by the three major wineries that control the quantity-led regime of accumulation. If Fairtrade is to support and contribute to the development of marginalized producers and workers, it should undoubtedly target those grape growers and small wineries that are nowadays linked to the quantity-led regime of accumulation.

However, this is not the case: on the contrary, the Fairtrade mode of regulation has so far only integrated—and benefited—those actors which are part of the dominant quality-led regime of accumulation. This fact is mostly a consequence of the ways in which two structural forms have been institutionalized: the *insertion into the international regime* and the *representation of the product* (see Table 3).

International insertion in the Fairtrade mode of regulation is almost exclusively the unique alternative for Fairtrade producers. Even if some southern countries have begun to commercialize Fairtrade products in their domestic markets, these are still very small. While the standards do not restrict Fairtrade production to exports, in practice it appears as the only choice for a vast majority of producers around the world. This fact is already privileging the quality-led regime of accumulation in Argentina, as its emergence and growth have always been linked to exports and the international market, whereas the quantity-led regime of accumulation has mostly focused on the local market. As a consequence, because the Fairtrade mode of regulation involves only products that are exported, it does not provide any opportunities to those producers that sell their wines in the local market. In this way, producers and workers attached to the quantity-led regime of accumulation end up being excluded from the Fairtrade mode of regulation.

This pattern is reinforced when we look at the effects of the representation of the product. Fairtrade standards do not regulate quality attributes and simply define a Fairtrade product as one that has been produced and commercialized according to Fairtrade's rules. However, an examination of the actual practices of Fairtrade makes visible a general tendency in the sector toward an upgrade in quality: Fairtrade products are to be marketed and bought not only due to their moral significance but also, as any other commodity, for the excellent quality-price relation they offer (for a detailed analysis of Fairtrade's "quality moment" see: Goodman & Herman, 2015). As a consequence, those actors involved in the production and commercialization of Fairtrade wine have sought to articulate a representation of the product that emphasizes its high quality and convenient price-quality relation, following in this way the tendency toward quality that is found both in the Fairtrade and wine spheres. In this way, the representation of the product structural form comes to reinforce the exclusion of those actors attached to the quantity-led regime of accumulation: since the product they offer does not match the representation articulated by the Fairtrade mode of regulation, they cannot become part of it.

In conclusion, the access to the Fairtrade system, and the potential benefits of its mode of regulation, are restricted to those actors who are nowadays part of the industry that produces fine wine for exports, this is, those who are already inserted in the dominant regime of accumulation. The weakest actors in the Argentinean wine sector, those small grape and wine producers attached to the quantity-led regime of accumulation, are de facto excluded from Fairtrade. All in all, it can be said that Fairtrade supports the current transition toward a new and hegemonic regime of accumulation that this sector is experiencing, contributing in this way to the reproduction of its dominance and the overall status quo.

6. CONCLUSION

This article has introduced a regulationist framework for the assessment of Fairtrade. This perspective examines the particular ways in which Fairtrade structures and institutionalizes socioeconomic relations, and the impact they produce when coupled to specific economic sectors.

This is done through the development of a research design based on a dialectical understanding of case study. In this way, a regulationist analytical framework proposes the examination of concrete Fairtrade sectors in specific geographical locations by resort to an analysis that identifies and distinguishes the different levels of generality and concreteness evidenced by its various elements. Therefore, the conclusions achieved are discriminated according to different levels of abstraction, overcoming the simplistic understanding of cases that underlies particularist and generalizing positions. Within this framework, three analytical steps for the assessment of Fairtrade are proposed. First, a description of the conventional economic sector under examination, which comprises the analysis of its regime of accumulation and mode of regulation. Second, a description of the Fairtrade mode of regulation, both, as it is found in FLO's standards and in practice. Third, the final assessment of the Fairtrade mode of regulation, which is done in two stages: by comparing the conventional and Fairtrade modes of regulation in order to determine whether the former remediates the causes of marginalization found in the latter and by analyzing the effects produced by the coupling of the Fairtrade mode of regulation and the sectorial regime of accumulation.

The case of the Fairtrade wine produced in Argentina and consumed in the UK provided an example of the way in which this innovative approach can be applied, offering insights at three different levels.

The analysis of the Fairtrade mode of regulation as it is found in the standards—the most general level—supports Fridell's (2006, p. 24) conclusion, as it has shown that far from seeking to restructure the socioeconomic relations responsible for the marginalization of small producers and workers, Fairtrade is oriented toward minor transformations: "assisting certain groups to enter the global capitalist market on better terms".

However, when the Fairtrade mode of regulation was analyzed as it takes place in the Argentinean wine sector—a more concrete level of analysis—it was found that its most innovative elements were not successfully implemented. Goodman, Dupuis, and Goodman (2014, pp. 200–201) use the concept of a "Faustian bargain" to describe Fairtrade's situation in which "mainstreaming has allowed market share to grow and thus brought more development, but at the price of shifting the cultural material politics of fair trade away from its original grounding in transparency, direct producer/consumer

relations, and global justice". Based on the case study presented here, the Faustian bargain could be further qualified: due to the imperative of mainstreaming and increasing the number of buyers (both corporations and final consumers) and producers, Fairtrade has gotten to the point of compromising its own regulatory tools—standards—due to their many times arbitrary implementation. Hence, one should even doubt whether, as stated in the previous quotation, a growing market share necessarily leads to "more development". This conclusion could probably be pointing toward a weakness shared by most market-based, consumption-led development initiatives.

Berlan and Dolan (2014) have argued that in spite of its attempt to remoralize economic relations, some of Fairtrade's effects tend to reproduce the alienation it originally sought to address. These reproductive effects, as the most concrete level of analysis—the coupling between the Fairtrade mode of regulation and the Argentinean wine sector's regime of accumulation—has shown, are not only restricted to the challenge of creating more ethical relations of alterity (Staricco, 2016),

but extend to the very concrete and material reproduction of sectorial hierarchies and inequality.

All in all, the deployment of a regulationist analytical framework has made possible to analyze Fairtrade's application to the case of wine produced in Argentina and consumed in the UK from a holistic perspective. In this way, it contributes to the literature that discusses Fairtrade's transformative potential by resort to convention theory, overcoming its weaknesses when it comes to accounting for power relations and structural conditionings. At the same time, the concept of a mode of regulation goes beyond the notion of a value chain, making possible to identify critical economic institutions, examine their interrelations and determine the concrete innovations put forward by Fairtrade and their actual effects. Lastly, it has been shown that a regulationist framework provides concrete analytical criteria to examine Fairtrade's relation with capitalism, making possible to ground empirically the more abstract discussions around the notions of commodity fetishism and the double movement.

NOTES

1. It is against this background that Fairtrade's recent project to develop living wage benchmarks should be warmly welcomed. While HL standards have for a long time urged companies to progressively advance toward living wages, the lack of precise figures made it difficult for Fairtrade to evaluate this point. As a consequence, Fairtrade has been running four pilot calculations of living wages (in South Africa, Dominican Republic, Kenya, and Malawi) in order to produce these benchmarks. However,

their future relevance is still not guaranteed, as Fairtrade does not plan to make living wages mandatory for companies, but expects instead "employers to negotiate with workers' representatives on wages if these are below the living wage benchmarks." (*Journey Towards a Living Wage*, 2014). In this way, the calculation of living wages would become a useful parameter for negotiations, but its adoption as a general rule is far from guaranteed.

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