

Fair trade and organic bananas

There has been a steady growth in the sales of so-called 'sustainable' bananas, which includes both fair trade and organic produce. This will help smaller-scale producers in the Caribbean and in parts of Africa and will partially counter the deterioration of conditions in banana production. There is undoubtedly a growing market segment of ethical consumers in richer nations who are becoming aware of the shortcomings in the supply chain and are willing to pay a higher price for a certified product.

Summary

The world trade in bananas demonstrates a number of relevant points about trade, especially in primary commodities:

- Mass production in developing countries will have negative environmental consequences.
- Transnational corporations have a large element of control of markets and can influence political decisions.
- WTO will support free trade against protectionist activities or agreements at all costs, even if the

protection may be to help development (the lobbying power of US TNCs calling for free trade seems to have taken precedence over the 'special and differential access to markets' agreements for least developed countries, which were not very effective in this situation).

- Geopolitical processes mean that trade disputes can spread and can escalate to trade wars between regional trading blocs.
- Power and control of food production has shifted away from growers and towards retailers in high-income countries.
- Supermarket price wars may ultimately decide where and how food is produced.
- More ethical, sustainable consumer markets are growing but relatively slowly and only in places that can afford products bought at a higher price.

Key question

How does the global trade in bananas reflect injustice in free trade arrangements?

Geographical consequences of global systems and the impacts of globalisation

Globalisation will make our societies more creative and prosperous, but also more vulnerable.

Lord Robertson Former UK Defence Secretary and Secretary-General of NATO

Key question

Will globalisation bring prosperity to all as promised, or is it mainly driven to serve greed and increase the wealth of those already rich?

The following have been the main beneficiaries from the process of globalisation:

- **Newly industrialising countries:** Some medium-income nations have developed rapidly as a result of inward investment and have emerged to become major economic powers competing with the richer developed regions of the world.

- **Transnational corporations:** Large companies have grown in a number of different industrial and service sectors and although they are mainly based in the developed countries, TNCs from emerging economies have also become global powers.
- **International organisations:** Organisations such as the IMF, the World Bank and the WTO have all contributed to the globalisation of economies and have consolidated their position and control in world affairs.
- **Regional trading blocs:** More trade agreements have evolved which benefit their members, though some would argue that it is at the expense of the nation state.

Economic consequences of international trade

Developing countries in Asia, Africa and Latin America are now some of the fastest growing economies globally, such as the MINT countries – Mexico (economy growing at 4 per cent annually); Indonesia (5.9 per cent); Nigeria (5.8 per cent) and Turkey (4 per cent). In 2015, the top 10 fastest growing economies were all in Asia or Africa.