

THE ACCOUNTING AND ACCOUNTABILITY PRACTICES OF FAIRTRADE INTERNATIONAL (FLO)

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Abstract

This study examines the accounting and accountability practices of Fairtrade International (FLO), one of the largest Fair Trade umbrella organizations. Our aim is to explore whether new forms of accounting and related disclosures emerge in the reporting practices of FLO and how these reflect their self-declared social mission towards the emancipation and sustainability of producers. Using thematic analysis and reflecting on Bourdieu's theory of symbolic power, we analyse FLO's reporting practices from 2006 to 2013. Our findings reveal that FLO mobilises the taken-for-granted images and symbols of 'fairness' in the Fair Trade system by using descriptive statistics of Fair Trade premium distributions and pictures of producers but keeps silent to current concerns surrounding the limitations of Fair Trade. Such findings extend important insights into how new forms of accounting and related disclosure are used to legitimise the practice of Fair Trade.

Keywords: Accounting, Fair Trade, Symbolic power.

Introduction

Fair Trade is a social movement on behalf of producers in developing countries that brings together a commitment to ensuring social justice, economic emancipation and sustainability through trading relationships (Lyon, 2006; Raynolds & Murray, 2007). The Fair Trade movement emerged in the late 1950's and quickly gained acceptance from the United Nations Conference on Trade and Development (UNCTAD) (Nicholls & Opal, 2005; Rice, 2001; Ullrich, 2007). Better known through its labelling scheme, the movement has undergone a marked process of institutionalization and is now governed through its own network of associations overseen by three central umbrella organisations; Fairtrade Labelling International (FLO), World Fair Trade Organization (WFTO) and the European Fair Trade Association (EFTA). These organisations set the labelling standards and supervise the network (FTAO, 2014). Fair Trade organisations rely on the umbrella organisations to ensure the social and economic ambitions of these producer communities. The main umbrella organisations, FLO and WFTO, jointly adopted 'A Charter of Fair Trade Principles' in 2009 (FTAO, 2014) which acknowledges the 'social contract' between consumers and producers and a set of principles that ensures economic emancipation, social justice, human rights, and environmental sustainability. According to this charter, Fair Trade is a 'trading partnership' backed by consumers with a mission to change the rules and practices of conventional international trade. Therefore organisation's that obtain Fair Trade certification are assumed to reflect these core principles and commitments of ensuring equality through trading. However there remains a limited understanding of how the Fair Trade umbrella organisations (certifiers) reflect their self-declared social mission through new forms of accounting and disclosure narratives and the motivation behind the new forms of accounting and reporting practices of such organisations. In particular, there is a lack of critical accounting research focused on the international Fair Trade umbrella organisation's which play a major role in upholding the image of this distinctive field of ethical trading. Exploring such accounting and reporting practices are important for understanding the role of accounting in enacting social change. Therefore, we suggest there is much to learn about how accounting and accountability might be used by Fair Trade umbrella organisations to carry out their social mission. Accordingly, we explore some new accounting and disclosure themes within Fairtrade International (FLO), one of the most prominent Fair Trade umbrella organizations. In pursuit of the research objective, we draw on thematic analysis to assess FLO's accounting and disclosures over eight years (2006-2013) from a wide range of organisational reports including annual reports, monitoring scope and benefit reports, responses to commissioned research, press releases and latest news updates from their website in order to trace the company's evolving accounting and accountability narrative and how this relates to its social mission.

Our study draws on Bourdieu's theory of symbolic power and legitimation as a powerful lens to observe and analyse how FLO uses new forms of accounting and disclosures to reflect its social mission. Prior studies have not yet shed light on how Fair Trade umbrella organisations and certifying bodies strategically use new forms of accounting to reflect their missions, and hence our study suggests two important contributions to the existing body of literature in this regard. First, by examining the reporting practice of FLO in the field of Fair Trade, our study illustrates how new forms of accounting and narratives by FLO are utilized to project its social mission.

Second, using Bourdieu's theory of symbolic power, the study interprets how new accounting practices can be utilized as *a language* which gains *symbolic power* in legitimizing this emergent field of trading. In this way, the study demonstrates the link between accounting practices and organisational narratives and suggests this new language of accounting is capitalized symbolically as a means of legitimation for the organisation. The balance of the paper is structured in the following sections. Section two discusses the evolution of Fair Trade. Section three considers the Fair Trade mission and consequent forms of accounting and accountability as well as offering a theoretical underpinning of the use of Bourdieu's symbolic power as a tool to legitimation. Section four presents the method, and then section five provides the analysis and the findings. Finally, section six summarizes the findings of the study along with research implications and the scope of future studies.

Literature Review

Fair Trade mission and new forms of accounting and accountability

Accounting is not a static or homogenous phenomenon; rather, it is continuously changing in response to the world around (Hopwood, 1983). Many prominent researchers have explored how accounting and accounting practices evolve over time and in varying organisational contexts (Burchell et al., 1980; Hopwood, 1983; Meyer, 1983; Roberts & Scapens, 1985). However, despite growing academic concerns over the Fair Trade practices, it has received only incidental attention in Social and Environmental Accountability (SEA) research. Recent SEA scholars have examined a few prominent Fair Trade organizations (i.e. Traidcraft and Cafédirect) in assessing the social accounting projects of social enterprises. This research revealed key challenges in implementing social and accounting tools (Dey, 2007; Reed et al, 2013) and a probable spectrum of new legitimacy logic that Fair Trade organisations and other social enterprises utilise to report the output and impact of their business (Nicholls, 2009). Though researchers in other disciplines are increasingly showing interest in the accountability notion within Fair Trade (Davenport & Low, 2013; Ullrich, 2007, 2011). Ullrich's (2007, 2011) study on the nature of accountability practices of one of the largest fair trade umbrella organizations, IFAT⁵, illustrates how the organisation rearranged its governance structure facing the challenges from the public standard setting body, International Organisation of Standardisation (ISO). Ullrich drew on Ebrahim and Weisband's (2007) four components of accountability, i.e., transparency, answerability, compliance and enforcement, whereas Davenport & Low's (2013) study on the accountability mechanisms of the two largest fair trade umbrella organisations, WFTO and FLO, emphasized the presence of the social audit and certification system in upholding the accountability of these organizations to their stakeholders. While these studies have focused on the governance structures and the accountability mechanisms of the umbrella organisations, we still know little of how these umbrella organisations use accounting and reporting practices to execute their accountability to the broader stakeholder community. However the literature provides a platform for investigating how the unique social mission of fair trade is aimed at ensuring emancipation of marginalized producers through new forms of accounting

⁵ IFAT was renamed WFTO in 2009

and accountability practices within these organisations. For example, Nicholls (2009) explored the emergent reporting practices of five social enterprises, including Café Direct, a Fair Trade organisation, to demonstrate how social entrepreneurs are attempting to create new legitimacies and logic of action by capturing the holistic complexity of organisational outputs and impacts with a range of social impact reporting options. More recently, in exploring social accounting practices from the early 1970s till the present, Reed et al. (2013) classified full impact reporting practices of Fair Trade organisations into monetized and non-monetized statements, tracing how the increase in disclosures and reporting are linked to an organisation's social impact objectives.

In pursuit of the objective of the study, we revise Reed et al.'s (2013) classification of monetized and non-monetized reporting by incorporating new items of reporting such as accounts for a Fair Trade premium (distribution and its impact) under the monetized category and social rights (such as equality, labour rights and female empowerment) under the non-monetized category. Furthermore, from the perspective of new forms of accounting, we categorise social accounting and reporting into *traditional* and *new accounting tools*. Table 1 allows us to visualize how new forms of accounting are attempting to portray the social impact of doing business.

[Insert Table 1 here]

While prior research explored the normative nature of the reporting practices of Fair Trade organisations (Dey, 2007; Gray et al., 1997; Nicholls, 2009), the role of accounting in executing the accountability practices of Fair Trade umbrella organisations has not received adequate attention, particularly from critical accounting researchers. In particular, we still know little of how Fair Trade umbrella organisations are utilizing new forms of accounting and any concurrent notions of accountability to reflect their social mission in practice. Such knowledge would enhance our understanding of the motivations of employing new forms of accounting and disclosure practices. This paper aims to address these questions by analysing the reporting practices of FLO, one of the largest and most widely-recognized Fair Trade umbrella organisations that holds a distinctive position within the fair trade network. Our paper also offers insights as to how and why organisations draw on new forms of accounting and accountability as a means of communicating their wider social and economic ambitions, by drawing on Bourdieu's theoretical concept of *symbolic power*.

Symbolic Power and Legitimation

The logic of buying Fair Trade products runs contrary to the concept of rational buying behaviour and most efficient resource allocation and represents an anomaly in consumers' buying behaviour (Archer & Fritsch, 2010). Hence researchers suggest that purchasing a Fair Trade product is a political decision whereby consumers vote for doing ethical business (Lyon, 2006). Although Fair Trade organisations, like all others, seek to legitimize their existence, anomalies

surrounding the Fair Trade phenomena have made it challenging for researchers to embrace a theory that is able to explain their actions. Nicholls (2009, 2010) has also addressed this challenge from the perspective of legitimisation efforts. Drawing on Suchman's (1995) legitimacy typology, Nicholls (2010) demonstrated that Fair Trade organisations enjoy a cognitive legitimacy surplus because of their unique social mission and commitments. This surplus adds difficulties in deciding their purpose of reporting and measuring performance (Nicholls, 2009). Considering the complexities in Fair Trade phenomena (Archer & Fritsch, 2010), we embrace Bourdieu's theory of symbolic power to explore how Fairtrade International (FLO) translates its social mission into new forms of accounting and disclosures. Extant literatures suggest that Bourdieu's theory, especially the notions of symbolic power, offers an interesting theoretical insights of the organisational actions (Emirbayer & Johnson, 2008; Everett, 2002) and provides a useful framework to explore alternative approaches of accountability (Shenkin and Coulson (2007).

Bourdieu's theoretical framework integrates three theories: a theory of social structure (the field), a theory of the individual (the habitus) and a theory of power relations (different forms of capitals and symbolic power) (Malsch, Gendron, & Grazzini, 2011). Here, the 'field' is the network of social relations and the 'habitus' is the schemes of perception thoughts and dispositions. Possession of economic, cultural, social, and symbolic capital acts as the criteria in deciding social positions (legitimation) and the (symbolic) power of an agent (Bourdieu, 1989). While Bourdieu is not the first person to propose different forms of capital what is rather new is the concept of symbolic capital and symbolic power which is relational and process oriented (Everett, 2002). According to Bourdieu, symbolic capital is the ultimate basis of power for imposing a legitimate vision of the world which arises out of other forms of capital when the arbitrariness of the possession and accumulation of other form of capital are misrecognized or are deemed as legitimate (Bourdieu & Wacquant, 1992; Everett, 2002). Thus, Bourdieu views legitimacy as the possession of different combinations of capital and this is determined by the collective actions of agents within a field often taking the form of a struggle (Everett, 2002). By drawing on the work of Bourdieu, the Fair Trade system can be conceptualised as a distinctive cultural field in the international trading system that considers the producers' rights and environmental sustainability while operating within the existing field of a conventional trading system (Gandenberger et al., 2011; Hutchens, 2009; Raynolds & Murray, 2007). Whilst the Fair Trade system developed its market by maintaining strong relationships with the stakeholders all over the world, extant literature suggests that there remains a hierarchy of relationships and the consequent struggles for resources, stakes and access (Everett, 2002). In explaining the struggle for legitimacy in a field, Bourdieu proposes the notion of language which is the building block of shaping the dispositions of the agent in a field (Bourdieu & Thompson, 1991). Bourdieu contends that language is used as both the battlefield and weapon in this regard (Webb, Schirato, & Danaher, 2002). Accordingly, language extends structures and media to create meaning and understanding and therefore possesses the symbolic power of determining the legitimate vision of the world (Webb et al., 2002). In exploring environmental accounting praxis through Bourdieu's theoretical framework, Everett (2004) considered accounting as a language (Broadbent, 1998) and, therefore, like all other languages is regarded as a mediator of symbolic power. In Everett's (2004) seminal paper he indicated that

environmental account can be used as a *language* which enables the producers of these accounts (and reports) to gain a good degree of symbolic power to play roles in reproduction rather than transformation of social relations. Accordingly such accounts reproduce social relations from both its consciousness and its implicitness and social advantages can be gained by using the *language* that is rare and sought after. Following Everett's (2004) argument, this paper uses Bourdieu's concept of symbolic power to explore whether and how FLO consciously or implicitly uses new forms of accounts and disclosures as a language of securing the legitimacy of Fair Trade businesses. As the Fair Trade movement originated from a common perception that the conventional trading system could not incorporate social, environmental and ethical considerations in the free market economy, it is important to explore whether and how FLO employs its accounting and disclosures as *the language* of accumulating symbolic power in its struggle of maintaining the legitimacy of Fair Trade practices.

Method

In line with the research question of this study, a thematic analysis method was used with holistic coding to explore how the social mission and strategies are reflected in the disclosures of these organisations. Even though content analysis has been predominantly used to analyse organisational disclosures, Beattie (2014) identified thematic analysis as an emergent method for analysing accounting narratives and which enabled researchers to overcome some of the limitations of the content analysis method and hence thematic analysis method with holistic coding is deemed to be appropriate for this study. Annual reports, special purpose reports (such as monitoring scope and benefit reports), press releases and the news articles were collected from 2006 to 2013 as the sources of data. In particular, 8 annual reports, 5 monitoring scope and benefit reports, 12 position papers, 5 reports relating to the responses to commissioned research, 62 press releases, 310 latest news items, and 16 reports of commissioned research were collected from FLO's official website for data analysis. For data analysis, the first researcher read the whole range of disclosures to identify the disclosures that support identified themes. Then the identified disclosures were categorized according to the metrics (Table 1) of new and traditional forms of full-impact reporting using holistic coding. However, this process was not completely unstructured, as the findings of previous literature (different forms of accounts) and Bourdieu's theory of symbolic power were used to extend the existing concepts of full-impact reporting. Capturing a more comprehensive group of accounting and disclosures of FLO helped to understand more fully how these were used to reflect its stated social mission. To enhance the rigour of this study, the data analysis and interpretation was refined and confirmed by the second author.

Findings

Fairtrade International (FLO), established in 1997, is one of the largest fair trade umbrella organizations that organizes the networks of regional organizations and sets the fair trading standards and certifications process (Fairtrade International, 2014). The stated mission is:

To connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

Fairtrade International (FLO) maintains an association of three producer networks, twenty-five Fairtrade organizations and the independent certification body of the global Fairtrade system named FLOCERT. The certification mark owned by Fairtrade International was recognized by ISEAL in 2007 as one of the seven organisations that have reached the highest standards for defining ethical trade (Fairtrade International, 2014). Being one of the largest Fair Trade umbrella organisations, FLO embraces a wide range of reporting practices. Besides the annual review, FLO regularly publishes monitoring and evaluation reports, the results of commissioned research and commodity benefits (Fairtrade International, 2014). In addition to this and in order to fulfil their stated commitments, the organization publishes position papers on a number of current topics that affect producers and on wider social and economic issues more generally. Position papers address Fair Trade rules, price structures, strategies and successes toward achieving the organisation's social mission. Through the data analysis process discussed previously four broad categories emerged. The following section discusses the findings under each of these categories:

Monetized Reporting

1. Sales and Fair Trade Premium (as economic capital)

The first theme to emerge from an analysis of the disclosures are sales growth and the Fair Trade premium distribution. Being responsible for representing the fair trading system, FLO made extensive disclosures on sales of Fair Trade products and the Fairtrade premium distribution with descriptive statistics and narratives. Over an eight year period of time (2006-2013) the annual review of FLO consistently disclosed sales growth (both by product and by region) and the total amount of the Fairtrade premium distribution for the year. More detailed disclosures were found in the 'Monitoring the Scope and Benefits of Fairtrade' Report. The fifth edition of this report contains separate chapters (Chapters 5 & 6) to elaborate on both sales and the Fairtrade premium distribution. While annual progress remains the primary objective, separate disclosures were made on 'sales volume' and 'Fairtrade premium receipts and use' by region, by type of producer organizations and by product with numerical and graphical presentations. In the case of the 'Fairtrade premium use', disclosures were provided on how utilization of the premiums were categorised for each type of organization (i.e. small producers, hired labour) and what percentage of premiums were used for each category. In analysing the Fairtrade product performances, Fairtrade premium receipts were compared with sales volume of significant certified products. In these discussions, percentage distributions of Fairtrade premium use were disclosed for each category of product.

[Insert figure 1 here]

[Insert figure 2 here]

Whilst the disclosures on sales growth and the Fairtrade premium have received greater emphasis over an eight year period of time (2006-2013), there remains a lack of information regarding the effective utilisations of the distributed premiums. Hence little is known as to the sales growth is changing the lives of the producers. It is important to note that the reported sales proceeds and the Fairtrade premium distribution do not flow through the FLO. Rather, it is a reflection of the performance of the organisation's licensed traders and retailers. However, despite this major contribution of the licensed traders and retailers, FLO have not yet provided any account of their performance. In contrast to the disclosures on sales and Fairtrade Premium distribution in the Fair Trade field, FLO disclosed very little about their own economic capital accumulation process. Bourdieu's theoretical insights suggest that despite the apparent disinterest in economic profit, the logic of practices in a restricted cultural field is not necessarily different from the profit motives of the widespread field (Webb et al., 2002). Rather, it is the success of the dominant actors in the field to successfully execute their objectives through the selective use of language. This theoretical insight suggests that the overwhelming amount of sales and Fairtrade premiums disclosures are used to highlight some selected achievements of the Fair Trade practices, while skilfully hiding FLO's own economic capital accumulation process.

Non-monetized Reporting

2. Network (as Social capital)

The second theme to emerge from the analysis is the disclosures regarding the Fair Trade network. One of the primary objectives of establishing FLO was to bring together the disparate producers into a Fair Trade network so that the social mission of the organisation starts with the idea: "*to connect...*" Accordingly, a range of disclosures are found from 2006 to 2013 illustrating the extensive network coverage and its growth over the period. Among the seven major performance indicators disclosed in the annual review 2012-13, four were related to the expansion of the Fairtrade network in one year. Additionally, disclosures on "*powerful partnerships*" emphasized initiatives undertaken to 'push the Fairtrade movement forward' (Fairtrade International, 2013, p. 10) across the world, with a view to create new markets for Fairtrade products and to engage commercial partners, NGOs and campaigners with its targets. In 'Monitoring the Scope and Benefits of Fairtrade', the report discloses descriptive statistics, facts, figures and ethnographic studies on the growth of Fair Trade producers, Fairtrade producers' organisations and Fairtrade

regions separately along with a comparative discussion (Chapter 3, 4 and 8). For this, the monitoring report frequently used the world map to show Fairtrade's network coverage on each of the reporting agendas.

[Insert Figure 3 here]

The above accounts (Figure 3) and disclosures reflect FLO's key role in expanding and maintaining its geographic network across the world. Being one of the largest umbrella organisations, FLO maintains the essential link between producer communities and the licensed traders. However, disclosures of network development mostly focus on the expansion of producer organizations with little or no discussion on the relationships FLO's licensed traders maintain with producers. In light of Bourdieu, it is understandable that FLO extensively used its wide range of reporting media to demonstrate the amount of social capital it holds and mobilises within this field. However, similar to the sales and Fairtrade premium disclosures, the network related disclosures also exhibited FLO's attempt to use account and disclosures selectively (Bourdieu & Eagleton, 1992) through mobilising its strengths in terms of networking and regulating capabilities. Such disclosures were largely used by FLO to validate existing Fairtrade practices, rather than bringing any change to such practices, with minimal presence (or absence) of the critical evaluations of different categories of licensees in the field.

3. Long-term Partnership (as Cultural Capital)

Following the network, the third theme to emerge from the analysis is related to building a long-term partnership with disadvantaged producers. The Charter of Fairtrade Principles (2009) repeatedly emphasized the building of long-term partnerships with producers. Accordingly, the annual reviews (2006-2013) provided disclosures on '*powering up producers*' with highlights provided on the 'Access to finance', 'Climate change adaptation and mitigation', 'Child labour' and 'Workers' rights and trade union relations' along with a hyperlink to detailed reports on each program. All these disclosures were narratives outlining stated strategies, commitments and achievements. However, in relation to building partnerships, the 'Monitoring the Scope and Benefits of Fairtrade' report provided some distinctive disclosures. Here, disclosures were provided on the criteria of using the Fairtrade premium for the long-term development of the individual as well as producers' organisations along with some ethnographic studies on the impact of assessments of Fairtrade premium usage.

[Insert figure 4 here]

Mobilising Bourdieu's theoretical lens, Fair Trade can be visualised as a distinctive cultural field that aims to break through the structural injustice of the conventional international trading practices. Whilst the issues of disclosures under this themes are many in terms of numbers, the information content of those disclosures are largely limited to the policy adoption and a number of selected successful projects. As Bourdieu suggests, the cultural capital are to some extent disguised by nature which opens up the possibilities of "misrecognition of cultural arbitrariness" (Everett, 2002).

Such theoretical insights indicates that the presence of merely policy related disclosures and the repeated disclosures on a number of successful projects over an eight year period may consciously or implicitly used disclosures to portray a positive image of fair trade practices.

4. *Empowerment and Emancipation as Symbolic Capital*

The fourth and final theme that emerged from the analysis was around producers' empowerment and emancipation although it was interrelated with the three themes discussed above. The mission of FLO used two unique phrases: "*empower producers*" and "*take more control over life*" and thus differentiated Fair Trade from conventional trading systems. The disclosures of FLO analysed across the annual reviews, monitoring reports, positioning papers, and news reports continually emphasized the social and economic benefits that producers are receiving from fair trading and this is highlighted using case studies and ethnographies backed by statistical evidence derived from survey results.

[Insert figure 5 and 6 here]

Throughout the wide ranging disclosures analysed, the presence of evocative words, phrases, figures and photos are significantly noticeable. For example, the annual review 2012-13 was named "*Unlocking the power of many*". Following this title, disclosures were provided under the headings such as "*Powering up producers*", "*Powerful partnerships*", and "*Learning to grow*". In this report, the certification mark of FLO was claimed as the most widely recognized label of Fairtrade, although there was no evidence of any survey results provided to back up the claim. Furthermore, each of the chapters in the 'Monitoring the Scope and Benefits of Fairtrade' report reinforced the positive impacts for producers by beginning each section with photographs of happy smiling faces and ending with case results on impact assessments. Even in the case of position papers, these topics addressed workers' rights strategies, food miles, poverty reduction and trade, Fair Trade's contribution to more sustainable world, child labour, climate change and discuss how Fair Trade addresses these issues and, to some extent, how their activities are evaluated by the researchers. While such disclosures illustrates the Fair Trade policies, there is little no evaluations on the performance of the Fair Trade licensees. Furthermore, FLO frequently emphasized favourable research outcomes. Drawing on Bourdieu's theory of power relations suggests that the most empowering capital arises out of other forms of capital when the arbitrariness of the possession of this other form of capital is mis-recognized (Everett, 2002). Bourdieu considered this symbolic form of capital to be the ultimate source of capital that could successfully legitimise the practices of the dominant actors (Bourdieu, 1989). The above findings regarding FLO's disclosures suggest that this umbrella organisation is inclined to use its disclosure media to accumulate that arbitrary component of the capitals of the field.

The findings of this study suggests that as a representative of the Fair Trade system, FLO uses disclosure practices to illustrate the possession of different forms of capital (i.e. economic, social, and cultural). By disclosing the achievements of Fair Trade in

terms of sales growth and Fairtrade premium distributions, networking and building long-term partnerships with producers FLO is positioning the organisation as integral to achieving the social and economic outcomes of producers and the benefits that the Fair Trade system generates in favour of producers by mobilizing their capital. In other words, entire disclosures were focused on giving a sense of how producers are achieving 'empowerment and emancipation' through disclosures on Total Sales, Fairtrade premiums, network, and long-term partnerships were utilized to demonstrate such empowerment and emancipation. For this, descriptive statistics was the only tool of any monetised form of disclosure, while narratives were relied on for disclosing strategies, targets, case studies and ethnographies. Here it is important to note that all of these demonstrations of producer achievement were not outcomes attained by FLO as the umbrella organisation. Rather these were achieved from collective actions of the members within the Fair Trade network. More specifically, whilst FLO's certified traders and retailers are materialising the Fair Trade social mission through selling fair trade products and distributing Fairtrade premiums, FLO is found to be silent regarding any evaluation of performance in this regard. But by repeating examples of successful case studies, descriptive statistics and pictures of successful projects it indicates FLO capitalises on the favourable image of the Fair Trade system.

[Insert figure 7 here]

Contrary to the FLO's demonstration of the positive image of Fair Trade practices through its different reports, prior literature uncovers scenarios much different from those reported. For example, there remains a persistent concern that effective implementations of the Fair Trade social mission is challenging (Dey, 2007; Huybrechts & Nicholls, 2013; Jaffee & Howard, 2010). Accordingly, there are evidence that beneficiaries of Fair Trade are not getting equal access to the wider benefits (Cramer, Johnston, Oya, & Sender, 2014; Lyon, 2010; Reed et al., 2013; Sutton, 2013). In response to such concerns, however, there are no substantive disclosures explaining the activities of the umbrella organisations, nor disclosures on challenges that members in this field are facing in operationalizing the mission (negative case analysis) were found.

Moreover, emerging monetized disclosure tools for full-impact reporting, such as the social ROI, SVA statement, or EVA statements, were not used by these organisations to demonstrate the impact of Fair Trade. So in comparing the concerns raised over fair trade practices and the disclosures of FLO, it is apparent that the Fair Trade organisations are more inclined to provide attractive pictures, symbols of progress and the positive impact of their activities, graphical presentations, descriptive statistics, case studies, and simple narratives in their disclosures, rather than any comprehensive disclosures that portray a complete picture of the performance of all the players within this field and in particular their role in advancing the wider interests of Fair Trade.

Drawing on Bourdieu's understanding of how symbolic power imposes a legitimate vision of the world, it can be argued that FLO attempts to uphold the image of fair trading by exposing development through trade as its key legitimising strategy. It does so by providing examples of success stories in line with the stated social

mission as a language to portray a legitimate version of trading. Here the stated social mission of ensuring producers' empowerment and emancipation allow the fair trading system to stand on the legitimate ground of an established equitable trading system, which in turn, offers symbolic power to achieve a dominant position in the international trading system. For this, disclosures (descriptive statistics, simple narratives and ethnographic case studies) were used as the language or mediator of such power. Following Everett's (2004) argument suggest disclosures were employed as symbolic capital to reproduce social relations from both its consciousness and its taken-for-granted-ness or implicitness. As the social mission of Fair Trade is rare and highly sought after, by translating this mission into descriptive statistics and using a narrative on selected successful projects, FLO consciously or implicitly attempts to reproduce the favourable image of Fair Trade, instead of transforming it into a substantive accountability practice.

Conclusion

In this paper we have examined the disclosures practices by Fairtrade International (FLO) and provided insights on whether and how new accounts emerge to translate and transform the social mission of Fair Trade by highlighting how Fairtrade umbrella organisations, as the key intermediary between producers and consumers are representative of this trading practice and practicing their own accountability in achieving their mission. Using a thematic analysis of disclosures from 2006 to 2013, we found that this umbrella organisation is more inclined to highlight attractive statistics and success stories as symbols of 'fair trade' than substantively disclosing other important facets of their regulatory activities. The exponential sales growth of Fair Trade products indicates that consumers place their trust in the "Fairtrade label" which indicates the symbolic power attached to the legitimate vision of the Fair Trade practice. Yet despite questions around legitimacy that are arising about fair trading practices, the symbolic reality of ensuring development through trade is very much shaped by the way the dominant Fair Trade umbrella organisation is portraying the image of a legitimate version of trading. Therefore these findings contribute to the work of Shenkin and Coulson (2007) which call for alternative accountability mechanisms by considering the limitations of procedural accountability. The gap we have identified between the social mission of Fair Trade and the disclosures of FLO supports the need for holistic 'external' accounts (Dey & Gibbon, 2014; Thomson, Dey, & Russell, 2015) to ensure substantive accountability to the broader stakeholder community.

This paper attempts to investigate the accounting and accountability practices of Fairtrade International (FLO) through analysing its reporting practices. There of course remains limitations in terms of scope of the findings of this qualitative study as the conclusions drawn on the practices of the FLO is limited to what they have disclosure in their reports and social media and to explore these issues more deeply requires greater engagement with the actors in the field. Hence there is considerable scope for future research to more comprehensively investigate the propositions of our study through greater engagement with the wider stakeholders working in the Fair Trade field in order to capture the complexities surrounding how social missions are reported and practiced by organisational actors.

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Table 1

Accounting and reporting by Fairtrade organisations (modified from Reed et al. (2012))

	Traditional Accounting Tools	New Accounting Tools
Monetized reporting	Profit and loss account, income and expenditure account, value added statement.	Social ROI, SVA statement, EVA statement, social premium accounts, Descriptive statistics.
Non-monetized reporting (including narrative)	Descriptive analysis, general social and environmental performance disclosures.	Case studies, ethnographies and special reports on female empowerment, child labour, climate change, labour rights, work environment etc.

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Figure 4: Disclosures from Fairtrade International 2012-13 annual report.

Figure 5: Disclosures from Fairtrade International 2012-13 annual report and 'Monitoring the Scope and Benefits of Fairtrade', fifth edition, 2013

Figure 6: Extract from position paper, "poverty reduction and trade: a vehicle to combat poverty", May 2011

Figure 7: Different forms of capital and the corresponding reporting tools used in FLO's disclosures