

Educating the Ethical Business Student: Enhancing our mission by embracing Fair Trade College status

Abstract: On October 20th, 2017, Pope Francis told members of the Pontifical Academy of Social Sciences *“we must aim at civilizing the market, working for an ethic that is friendly toward the person and his environment.”* The O’Malley School of Business at Manhattan College, a Lasallian and Catholic institution with a strong commitment to social justice, was declared the fifth Fair Trade College in the country in 2012. The Fair Trade movement aims to form a partnership between consumers and the marginalized farmers and artisans in the global south. The O’Malley School of Business has been a strong proponent of educating our students with our mission in mind, and has fully embraced our Fair Trade College Status, using it as a springboard for curricular study, student research projects, study abroad, and co-curricular innovation.

The Workshop will consist of several presentations, followed by discussion.

1. A primer on the Fair Trade movement and Fair Trade Campaigns

Gwendolyn Tedeschi, Associate Professor of Economics, Manhattan College

“Fair trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South” (FINE, 1998). These introductory remarks will outline the standards embraced by fair trade (“what”), the connection to Catholic Social Teaching (“so what”), and the Fair Trade Campaigns movement (“now what?”).

2. Teaching Fair Trade in Basic Microeconomics (G. Tedeschi)

While economists have largely denounced the fair trade movement as an inefficient subsidy, this stems from an incomplete view of what the movement involves and assumptions that may not be appropriate. This paper outlines ways in which economics principles instructors can discuss economic arguments both for and against fair trade in examples that can be used throughout the semester. A detailed look at all tenets of fair trade will help us point out the market failures present in developing countries and potential positive externalities present in fair trade markets.

3. Equal Exchange: Trading Fairly and Making a Profit

Janet Rovenpor, Interim Dean and Professor of Management

In 2011, Janet Rovenpor led a team of MBA students in a research project where they developed a case study on Equal Exchange, a fair trade, worker owned cooperative that was concerned about the company’s relatively flat growth for fiscal years 2008 and 2009. In 2012, the students presented their case study and won second place in the Baylor University/USASBE Student Case Writing competition, and it was subsequently published. This is one of several research projects that the School of

Business faculty has undertaken with both undergraduate and graduate students on the topic of fair trade. Dr. Rovenpor will discuss the development of the project, and provide an update to the case, based on what other fair trade companies are doing and to get a better view of the competitive landscape for fair trade products.

4. Peru international study trip

Poonam Arora, Associate Professor of Management

Working with The Advanced Consortium on Cooperation, Conflict and Complexity (AC4, Columbia University) and the Amazon Conservation Association, (ACA), Manhattan College MBA students enrolled in this course, conducted pre-travel research to understand the dynamics of the local forest-related activities in Madre de Dios area. The students travelled to Peru in May 2016 to conduct a case study in the Tambopata Buffer Zone to identify the inter-dependency between small-scale mining and two other major economic activities (fish farming and brazil nut harvesting). Using data from the case study and a workshop with representatives of the stakeholders in the area, students gained understanding about the incentives and motivations to engage in various economic activities. Finally, students prepared an analysis and report for ACA, which included a discussion of the costs and benefits of fair trade certification as a potential to increase marketability of brazil nuts.

4. Fair Trade Fuel

Aileen Farrelly, Assistant Dean and Visiting Instructor of Accounting

Fair Trade Fuel is a student run fair trade business that is operated out of the O'Malley School of Business at Manhattan College. The business promotes and sells fair trade items to the college community in the form of pop-up sales a few times a year. Fair Trade Fuel provides students with day-to-day business experience, a heightened awareness of the fair trade mission, and a physical expression of Lasallian values.