

Using three ethical principles of the global business standards codex (gbsc), eva...

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INTRODUCTION

General Statements on Global Business Standards Codex and Fair Trade

The Global Business Standards Codex comprises of various ethical principles that have elemental meaning. These ethical principles have different arguments and speculations that guide different business operations in different organizations and industries. On the other hand, fair trade as defined by Sally Smith and Stephanie Barrientos refers to a trading partnership that is based on elements of dialogue, respect and transparency, which seeks to promote greater equity in the international trade (Marcovitz, 2011, p. 33). Traditionally, the movement of fair trade sought to attain its goals by facilitating and enhancing the involvement of peasant and small farmers in international trade and giving them various guarantees, fair prices for their products, stable relationships of stable supply and access to credits and social premiums o facilitate development projects in the communities (Fair trade, 2009, p. 27). Consequently, fair trade deals with terms of trade between the buyers and the producers.

The Ethical Principles

Three of the ethical principles of the GBSC include the Fiduciary Principle, the Property Principle and the Reliability Principle (Renard, 2003, p. 22). The Fiduciary Principle bases on the belief that as part of the existing legal structure of the business organization, officers and directors of companies have legal fiduciary duties to act in best interests of employees and other stakeholders. The Property Principle suggests that every stakeholder and employee have to respect property and rights of the owners of those

properties. The Reliability Principle suggests that employees and stakeholder have the responsibility of honoring their commitments to a firm.

The ethical principles and the ethical dilemma of fair trade policies in the fresh food industry

Firstly, the Fiduciary Principles bring out the diligence and loyalty in the fair trade practices. Secondly, the Property Principles assist to measure the degree of theft and protection in the fair trade practices in the fresh food industry (" Business Ethics Forum: Create and evaluate a Code of Conduct," n. d.). Lastly, the Reliability Principle brings out the commitments and contracts premises in the practices and processes of fair trade between the buyers and the producers. Therefore, the principles of GBSC provide an elaborate base of evaluating the fair trade practices and processes in the fresh food industry (Reynolds, 2002, p. 22).

Thesis Statement: The fresh food industries should use different GBSC principles to evaluate the fair trade practices in the industries.

Statement of position

Fiduciary, Property and Reliability principles of GBSC should be used in evaluating the fair trade practices in the fresh food industries.

Reasons for taking the position

Firstly, the three principles directly postulate the operations in the business and industrial sector. Secondly, these three principles provide an elemental background and stand on issues that affect all business and industrial sectors including diligence, protection and theft, and commitments and

contracts. Thirdly, the principles provide a clear speculation of the evaluation of the practices.

Stakeholders

Stakeholders in then evaluation include the fresh food industries, the managers of industries, organization analysts and different global bodies.

ARGUMENT 1

Use of Fiduciary Principles to evaluate fair trade practices in the fresh food industry brings out diligence in the practices. Smith and Barrientos also provide four distinct ways of defining the quality in the fresh food industries. These four ways include industrial coordination, domestic coordination, civic coordination and market coordination (Smith & Barrientos, 2005, p. 28). For long, fair trade sales largely encompassed traditional handicrafts, which were supplemented by limited ranges of commodity products including food products such as coffee and tea (Philpott & Dietsch, 0, p. 22).. Therefore, the fresh food industries should use Fiduciary Principles to evaluate their fair trade practices.

ARGUMENT 2

Use of the Property Principles to evaluate the fair trade practices in the fresh food industry assists to measure the degree of protection or theft in the practices. In Sally Smith's article on the fair trade models of business in the UK, the author presents the scope and scale of commitment to fair trade while discussing diversity in the United Kingdom approaches of fair trade in the supermarkets (Smith, 2010, p. 29). In the discussion, most of the UK supermarkets try to work with their supply bases to get the producers and

the traders to register and certify with the FLO. Therefore, fresh food industries should employ Property Principles in their evaluation of fair trade practices.

ARGUMENT 3

Use of the Reliability Principle in evaluating fair trade practices in the fresh food industry brings out different issues of commitments and contracts in the practices. D. K. Round talks about issues of competition enforcement in the supermarkets and business organizations. Some of the potential practices include the merging between the grocery wholesalers considered by both the Federal Court and the Australian Competition Tribunal (Round, 2006, p. 55). Additionally, Andre Louw et al in their article on securing the participation of small-scale farmers in the supply chains of supermarkets in South Africa include practices like fresh produce sources and market coordination mechanisms of evolving the fair trade practices in the fresh food industry (Louw, Vermeulen, Kirsten, & Madevu, 2007, p. 19). The following are some of the analyses of the distribution of the modern grocery in South Africa in 2005. The Shoprite Company had 881 stores with a market share of 20.5% and average sales area of 1862 square kilometers. The Pick 'n Pay Company had 536 stores with a market share of 20.0% and average sales area of 927 square kilometers.. All these processes and operations show the commitments of these regions in fair trade practices in the fresh food industry (Richards, Lawrence, Loong, & Burch, 2012, p. 33). Therefore, fresh food industries should use Reliability Principles to evaluate the fair trade practices.

CONCLUSION

In summary, the principles of the Global Business Standard Codex are elemental in the analysis and evaluation of fair trade practices in the fresh food industry. There are various principles, but three of them as discussed include the Fiduciary Principles, the Property Principles and the Reliability principles (Hunt, 2012, p. 22). These three principles provide a base and guideline of evaluating the fair trade practices. These principles contain concepts and examples that are related to the fair trade practices during evaluation. Additionally, the three principles promote the enhancement of the fair trade practices in the fresh food industry by giving specific formulations and development aspects of the process. Moreover, principles of the GBSC provide an affirmative ground for evaluating fair trade practices.

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