

Fair trade practices in the fresh food industry essay

[Business](#), [Marketing](#)



Introduction

Global business standards codex principles (GBSC) define the conduct of business and business people when engaging in business activities that often requires partnership amongst stakeholders (Holmes & Hatch, 2007, p. 376). This paper discusses three prime principles namely; The Fairness Principle, The Transparency Principle and The Reliability Principle. The three principles are used to evaluate the state of global business in the supermarket business. Primarily, the essay is based on the GBSC principles mentioned about the role that they play in shaping the nature of supermarket businesses across the globe. According to Paine, Deshpande, Margolis and Bettcher (2005, p. 124), code of conduct can be utilized well or poorly to develop desired or undesirable outcomes in the business sector. Hence, principles of business ethics commonly referred to as GBSC principles are central to ensuring ethical business conduct.

The Fairness Principle

Fairness or an equal playing field for various partners to engage on the ground is essential if the supermarket sector is to realize competitiveness amongst industry players (Hazlett & Sosa, 1997, p. 207). Hence, it is essential that parties concerned secure the market as a level playing ground for all sector players involved. According to Richards, Lawrence, Loong and Burch (2012, p. 250) government agencies that are mandated with the role of ensuring equality in market conditions have a responsibility to ensure fairness in the market.

In this regard a commission such as the Australian Competition and

Consumer Commission (ACCC) is mandated with the responsibility to ensure that supermarkets are not abused by others that may monopolize the industry in pricing. Hence, the ACCC should intervene to ensure that pricing in supermarkets is fair and that all players adhere to the protocol assigned for the pricing mechanism. The importance of the fairness principle is in ensuring equity in the market in turn allows for harmonization of prices in the market which is prudent in ensuring acceptable code of conduct by bodies such as the ACCC (Richards et al., 2012, p. 250; Paine, et al., 2005, p. 124).

The Transparency Principle

This principle is tailored to guard against untruthfulness and deception in business dealings or interactions. In this regard, the principle is concerned with objectivity in disclosure amongst all parties involved. In this sense fair trade as developed by Richards et al. (2012, p. 250) cannot be discussed in the absence of ethical trade. According to Smith and Barrientos (2005, p. 191), ethical trade is one in which parties engaged in trading are honest with one another. As a result, there are unlikely chances that a party can act in a manner to undercut competitors. Therefore, to achieve fair trade, dialogue, transparency and respect amongst industry players is essential to winning the goodwill of competitors in the market. Otherwise, without transparency good will cannot be achieved and, hence, competitors may engage in cutthroat tactics to stay ahead in the game (Etzioni, 2010, p. 2).

The third Principle is the reliability principle it is meant to act as a guidance system to uphold obligations that one is tasked with the responsibility of. In

this regard, reliability principle is concerned with ensuring that agreements regarding contracts, promises, and commitments of any business nature in the supermarket industry are respected. Louw, Vermeulen, Kristen and Madevu (2007, p. 540) allude to the fact that respect of contracts is essential to secure good relationships between stakeholders in the supermarkets industry. As such, farmers should be treated with respect due to the contributions that they make in providing food utilities to the supermarkets. Therefore, contracts entered into between supermarket conglomerates, and farmers should reflect harmonized standards in the industry. To this end, it is important that industry players engage to ensure that all contracts of the business nature concerning the industry are unilaterally agreed upon. Reliability principles can as well be observed from the approach that it incorporates the good will of industry players in safeguarding the interests of customers. Hence, as Round (2006, p. 51), explains it is not always the case that supermarket chains that dominate the industry assure reliability. The reason for this is because in some instances the big chains may utilize their supremacy to take advantage of the vulnerable small chains and impose prices on customers. Therefore, in such a scenario the principle of reliability is not adhered to.

Conclusion

Essentially, business practice requires that principles of GBSC are adhered to in order to interact effectively with stakeholders in the industry. In this regard, the paper has discussed the context of global supermarket business drawing from three fundamental GBSC business principles. The principles

discussed are the transparency, the reliability and the fairness principles. However, GBSC principles are not limited to the ones discussed, although, these prove crucial in the global supermarket industry as discussed.

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