Does the Stakeholder Need to be a Member? The Case of Fairtrade International (FLO)
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Abstract
Within various forms of decision-making and rule-setting, such as transnational standard setting, the notion of stakeholder involvement has a stronghold (see, for example, Boström & Tamm Hallström 2009). The idea of stakeholder involvement is widespread but its effects will vary across different usages and contexts. This paper draws on the result of a study on the Fairtrade International (FLO) and their work developing criteria, standards and principles for the Fairtrade label. In this case, the stakeholder category involves those who are affected or can be affected by FLO’s action; they have a stake in the issues discussed and decided by FLO. Thus, stakeholders could potentially refer to a very large group of people. Still, what is a stakeholder in practice? In this paper I discuss the notion of a stakeholder in relation to membership in the FLO. Within the FLO organisation stakeholders have eventually been involved as members of FLO. I discuss the implications of this shift in meaning by looking at the inclusion of the producer networks in Africa, Asia and Latin America as members in 2008. This meant that these producer networks moved from the category of stakeholder to the category of member/stakeholder. Furthermore, I show how the stakeholder consultations on the New Standards Framework of FLO during the summer of 2010, in practice, meant consultation between the members. Since stakeholders may involve actors both within and outside an organisation, this paper discusses what it means when the only stakeholders that are authorized by FLO, in practice, are the same as the members. Furthermore, it discusses the relation between stakeholder and member and how the conditions for stakeholder involvement change when stakeholders become members. The issues explored in this paper relate to: the requirements for becoming a member and what membership means in terms of loyalty or critical capacity towards FLO; as well as issues related to the double membership of stakeholder members, being members of FLO and the company/organization they work for at the same time.

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