

Fair trade, social entrepreneurship and sport: a case study of Jinta Sport

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Introduction/Aim

Established in 2007 Jinta Sport can be considered one of the early movers in the emerging social entrepreneurship organizational paradigm that exists to 'leverage economic activity to pursue a social objective and implement social change' (Mair, Battilana & Cardenas 2012, p. 356). Although social enterprises exist in variety of formats key features include the extent to which economic and social missions are central and commercialized (Peredo & McLean 2006); and, scalable and direct (Martin & Osberg 2007). The aim of this paper is to stimulate discussion on the creation of shared value in sport with particular reference to the FairTrade movement, via a case study of Jinta Sport.

Practice Description

Jinta Sport is a sporting goods manufacturer that is FairTrade certified and produces a range of sport balls and apparel to help realise social change. Jinta Sport is part of Etiko Pty Ltd, an Australian company that has produced sport equipment since 2007. The mission of the company is to "not only offer consumers high quality, well priced sports gear, but also to help create a positive change in the world" (Jinta Sport - About Us n.d.). The word 'Jinta' comes from the Warlpiri word for 'one' or 'winner' and has the native Australian 'thorny devil' as its logo. The Warlpiri are an Aboriginal people located in a remote part of the Northern Territory of Australia.

Context Description & Actors Involved

Jinta Sport is a FairTrade certified company. FairTrade is a global certification and verification body that has existed since the 1940's. FairTrade Australia was established in 2003. The FairTrade movements focus is on ensuring decent working conditions in developing countries for workers in the supply chain of major commodities such as cocoa, cotton, coffee and a growing number of other products. Jinta Sport manufactures sporting goods in India and Pakistan. As part of FairTrade certification the organization must pay a FairTrade minimum price to manufacturers (to give wage security to employees) and 15% of the wholesale price goes to community development projects (FairTrade premium). In Pakistan, these premiums have been used to buy and install water filters and allowed workers to start a cooperative to purchase food staples such as legumes, rice and ghee (a common type of butter in Pakistan) at wholesale prices. Beyond this commitment a further 2.5% of each sale goes to the Warlpiri Youth Development Aboriginal Corporation that assists Aboriginal youth in remote Australian communities.

Jinta Sport operates in a competitive landscape. Revenue is generated via market based competition in the retail space and the sale of products that offer consumers value. From the revenue generated, the company pays the company tax rate

(30%) to the Australian government as well as incorporating additional overheads into the retail price (e.g. FairTrade premiums and accreditation). Despite these additional overheads that other competitors do not carry, the organization manages to compete and succeed in this market via efficient use of resources and reallocating some costs associated with profit maximisation (player endorsement, dividend payments) to achieves its social goals (shared value). Furthermore, Jinta Sport sells products in a variety of countries and is able to scale its operations, generating more social change as the organization continues grows. The use of a market-based solution to social change is not new, however, the viability of the approach compared to traditional funder-based non-governmental organisations holds potential for future practice and research.

Implications and Learning

An implication of this case study is the demonstration that social enterprise in the consumer goods area of the sport industry is possible. The learnings from establishing an ethical supply chain that has third party accreditation to authenticate claims of legitimacy in the marketplace holds potential for expansion into other areas of the sports industry (e.g. sports manufacturers and retailers). Furthermore, market based mechanisms to address social problems in the supply chain and assist in community development could be informative to non-governmental organisations looking to develop sustainable organisational models to address social problems using sport (e.g. sport development and community sport). Social entrepreneurship offers several avenues for future research. For example an economically viable solution to social problems removes the perception of social responsibility as a cost to a corporation, whilst offering an opportunity for non-profit sport organisations to delineate between pressures to commercialise and the maintenance of their social objective.

References

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