

Fair Trade

Bc. Adéla Studená

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Univerzita Tomáše Bati ve Zlíně
Fakulta managementu a ekonomiky

OBSAH

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INTRODUCTION

This seminal work represents the Fairtrade trading system, which is becoming known around the world. It seeks to improve the status of producers from the countries of the Global South and to provide them with decent living conditions. Fairtrade has 10 principles that all members must adhere to. These principles have a strong ethical and environmental influence. For example, fair practices, exclusion of children's work, equality of opportunity for women and others are among the most basic. You can read more about the content of this paper.

In the seminar work it is possible to get acquainted with the history and presentation of the fairtrade, the principles already mentioned, the certification systems and also the most basic products that fairtrade trades with.

1 FAIR TRADE

1.1 Definition

Fair trade is a trade partnership based on dialogue, transparency and respect that seeks greater fairness in international trade. It contributes to sustainable development by offering better trading conditions.

It's a vision of business and commerce that puts people and the planet ahead of profit. It combats poverty, climate change, gender inequality and injustice. (Doležalová, 2021)

Growers and workers receive a feed-in tariff under the Fairtrade scheme for their cocoa or coffee, which corresponds to the costs of cultivation or production while allowing a decent living.

The basic principles of Fairtrade include:

- the purchase price corresponding to the cost of sustainable production and decent livelihoods;
- long-term trade relations
- compliance with the conventions of the International Labour Organisation (ILO)
- prohibition of forced and child labour
- long-term sustainable development of local communities
- controlled use of pesticides and other agricultural chemistry
- prohibition of the use of genetically modified crops
- more refined approach to the use of natural resources

Fairtrade raw materials are grown primarily by small-scale growers in the countries of the Global South. These are coffee, tea, cane sugar, cocoa, bananas, rice and cereals, spices or also cotton or cut flowers. (FairtradeCzSk, 2021)

1.2 History of fair trade

The first fair trade label was launched in 1988. This label was called „Max Havelaar“ after a character from a novel about the exploitation of coffee pickers in the Dutch colonies. The label gave the mainstream industry with coffee the chance to work in a way that had not existed before.

Before that first label of fair trade was set up, there were other initiatives called alternative trade organization (ATOs). These were often started up by churches in North America and Europe to help refugees and other poverty-stricken communities after World War II by selling their handicrafts. The ATOs would buy the products from poor producers at an above-market price and sell them directly to customers. ATOs continue to operate today and some are linked in with fair trade organizations.

The fair trade model used with the „Max Havelaar“ was copied in markets across Europe and North America. „Max Havelaar“ was used in Belgium, Switzerland, Denmark, Norway, and France. (Hunt, 2013)

1.3 Why is there fair trade?

The Western world's economic development and prosperity are built on the exploitation of poor people in the countries of the global South. The original colony-zac period was followed by the unilaterally advantageous setting of international trade, the corruption of the country's governments, and the abuses of globalization of the production chain.

Almost 80% of the world's coffee production comes from the 25 million small growers and growers in the countries of the Global South who grow coffee on the steep slopes of their own family fields. They often live in deserted rural regions. Arabica coffee is grown at high altitudes and families of growers often live in the local mountains without access to internet, electricity or water. The situation of growers and growers is hampered by the downward pressure on costs both from consumers and consumers who want to buy as cheaply as possible and from traders who want to maximise their profits. (NaZemi, 2017)

1.4 World Fair Trade Organization

The WFTO is the global community and verifier of social enterprises that fully practice Fair Trade. Spread across 76 countries, WFTO members all exist to serve marginalised communities. To be a WFTO member, an enterprise or organisation must demonstrate they put people and planet first in everything they do. We are democratically run by our members, who are part of a broader community of over 1,000 social enterprises and 1,500 shops. We are their global community. Through peer-reviews and independent audits, WFTO verifies members are mission-led enterprises fully practicing the 10 Principles of Fair Trade across their business and supply chains. Once verified, all members have free use of the WFTO Guaranteed Fair Trade product label. (WFTO, 2021)

1.5 Principles of Fair trade

The 10 Principles of Fair Trade specify the ways that Fair Trade Enterprises are set up and behave to ensure they put people and planet first. The WFTO carries out verification and monitoring to ensure these principles are upheld. (WFTO, 2017)

These 10 principles defined by the WFTO must be followed not only by member organisations but also by organisations benefiting from Fairtrade International certification linked to Fairtrade trade mark protection. (Doležalová, 2021)



Obrázek 1 Fairtrade principles (WFTO, 2017)

1.5.1 Opportunities for Disadvantaged Producers

Reducing poverty through trade is a key part of the organization's goals. The organization supports marginalized small producers, whether independent family businesses or grouped into associations or cooperatives. It seeks to enable them to move from income insecurity and poverty to economic self-sufficiency and ownership. The organisation has an action plan to implement this. (WFTO, 2017)

1.5.2 Transparency & Accountability

The organisation shall be transparent in its governance and commercial relations. It shall be accountable to all interested parties and respect the sensitivity and confidentiality of the commercial information provided. The organisation will find appropriate, participatory ways to involve staff, members and producers in its decision-making processes. It shall ensure that all its trading partners are provided with relevant information. Communication channels are good and open at all levels of the supply chain. (WFTO, 2017)

1.5.3 Fair Trade Practices

The organisation trades with regard to the social, economic and environmental welfare of marginalised small producers and does not maximise profit at their expense. She is responsible and professional in the timely fulfilment of her obligations. Suppliers respect contracts and deliver products on time and in the required quality and specifications. Suppliers and manufacturers shall consult buyers if there is a problem with the supply and shall ensure that compensation is granted if the quantities and qualities delivered do not correspond to the quantities and qualities invoiced.

The organisation maintains long-term relationships based on solidarity, trust and mutual respect, which contribute to the promotion and growth of fair trade. It maintains effective communication with its trading partners. The parties involved in the trading relationship seek to increase the volume of trade between them and the value and diversity of their product offerings as a means of increasing fair trade for producers in order to increase their revenue. (WFTO, 2017)

1.5.4 Fair Payment

Fair compensation is one that has been mutually negotiated and agreed by all through ongoing dialogue and participation, which provides fair compensation to producers and can also be maintained in the market, taking into account the principle of equal pay for equal work between women and men. The aim is always to pay the local living wage. Fair payment consists of fair prices, fair wages and local wages. (WFTO, 2017)

1.5.5 No Child Labour, No Forced Labour

Organisations that purchase fair trade products from producer groups either directly or through intermediaries ensure that no forced labour is used in production. Any involvement of children in the production of fair trade products is always publicised and monitored and does not adversely affect children's well-being, safety, educational requirements and the need for play. (WFTO, 2017)

1.5.6 No Discrimination, Gender Equity, Freedom of Association

The organisation has a clear gender equality policy and plan that ensures that both women and men have access to the resources they need to be productive, as well as the ability to

influence the wider political, regulatory and institutional environment that shapes their livelihoods and lives.

Organizational statutes and statutes allow women to become active members of the organization in their own right and to take leadership positions in the governance structure, regardless of the status of women in relation to property ownership, such as land and property. The organisation recognises women's rights to full employment and is committed to ensuring that women receive full statutory employment benefits. The organisation takes into account the special health and safety needs of pregnant women and nursing mothers. (WFTO, 2017)

1.5.7 Good Working Conditions

The organisation provides a safe and healthy working environment for staff and members. Fair trade organisations are aware of the health and safety conditions in the producer groups from which they purchase. It continuously seeks to raise awareness of health and safety issues and improve occupational health and safety practices in producer groups. (WFTO, 2017)

1.5.8 Capacity Building

The organisation shall develop the skills and competences of its own staff or members. Organisations working directly with small producers develop specific activities to help these producers improve their managerial skills, production capabilities and access to markets. (WFTO, 2017)

1.5.9 Promote Fair Trade

The organisation raises awareness of the objective of fair trade and the need for greater fairness in world trade through fair trade. It advocates Fair Trade's goals and activities according to the scope of the organization. The organisation shall provide its customers with information about itself, the products it markets and the producer organisations or members who produce or harvest the products. Fair advertising and marketing techniques are always used. (WFTO, 2017)

1.5.10 Respect for the Environment

Organisations that produce Fair Trade products maximise the use of raw materials from sustainably managed sources in their product ranges and where possible purchase locally.

They use generation technologies that aim to reduce energy consumption and, where possible, use renewable energy technologies.

Buyers and importers of fair trade products favour purchasing products made from raw materials that come from sustainably managed sources and have the least overall environmental impact. All organisations use recycled or readily biodegradable materials for packaging to the maximum extent possible. (WFTO, 2017)

1.6 Certification

Fairtrade certification standards are set by Fairtrade International. Standards are divided into general and product-specific standards. FLO-CERT, an independent certification company, carries out compliance checks in collaboration with inspectors around the world. Fairtrade certification offers growers the security of a minimum feed-in tariff and a social security surcharge. A guaranteed minimum purchase price is set for each product. Growers are thus guaranteed not to receive less for their products than their costs of cultivation and a decent life. (Komínek, 2021)

1.6.1 The Fairtrade Mark

The Fairtrade brand is a symbol of the international Fairtrade system and the world's most recognized ethical brand. When you buy products with one of the Fairtrade stamps, you are supporting farmers and workers who are improving their lives and their communities. Products bearing these brands meet internationally agreed social, environmental and economic fairtrad standards. Fairtrade marks are registered certification marks and trademarks owned and licensed by Fairtrade International. (Fairtrade international, 2021)



Fairtrade mark
(Fairtrade
international, 2021)

1.7 Fairtrade products

There is a huge range of products covered by the Fairtrade Standards. Every purchase of a Fairtrade product can make a real difference to farmers and workers around the world.

Leading fairtrade products include:

Bananas

- Bananas are also a staple food for millions of people and a major export that forms the cornerstone of many countries' economies. Bananas are grown both on small farms and on large plantations. The banana industry is labour intensive and demanding. Climate change and plant diseases threaten yields.

Cocoa

- Cocoa is the plant behind chocolate, one of the most popular snacks in the world. Cocoa has become one of the most important fairtrade products since it was first certified in 1994. The world's appetite for cocoa is thriving. And yet cocoa farmers around the world often struggle to make a living, despite their position as a source of the highly prized commodity.

Coffee

- Worldwide, more than 125 million people depend on coffee for their livelihoods, yet many are unable to make a reliable living from this beloved and valuable crop. Around the world, 25 million small farmers produce 70-80 per cent of the world's coffee, which is one of the reasons why Fairtrade focuses its efforts on small producer organisations.

Sugar

- It's a key ingredient in so many of the foods and drinks we use. Small sugar cane growers face intense pressure from large producers, price fluctuations and climate change. About 175 million tonnes of sugar are produced each year. Most of it comes from sugar cane, with sugar beet in second place. Fairtrade is working with small sugar cane growers to improve their bargaining power, as well as their businesses and communities.

Tea

- Tea is one of the most popular drinks in the world. Since its origin as an ancient medicinal crop in China, tea has spread far and wide. The multibillion-dollar tea industry employs millions of people, but working conditions and producers' earnings are often dire. Fairtrade works with plantation workers and small farmers to bring Fairtrade tea to consumers around the world. (Fairtrade international, 2021)

And other many products that are important to. Cotton, fruit, herb, honey, nut, rice, wine, gold, textile, flower, ...

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