

International social label: Fair Trade for several products

History



The Dutch Fair Trade Organisation FTO was founded in 1959. FTO set up 'subsidiaries' in a number of European countries in the early 1970s. These organisations gained their independence at the end of the 1970s and were from then on called Gepa (Germany), EZA (Austria) and OS3 (Switzerland). The collaboration between these organisations and FTO has resulted in the foundation of EFTA (European Fair Trade Association). IFAT, the global network of "alternative" trading organisations, was formed in 1989.

Contents

Fair Trade is trade with concern for the social, economic and environmental well being of marginalized producers in developing countries. This means equitable commercial terms, fair wages and fair prices. Often part of the amount is paid in advance, so that the producers do not have to take their chances with middlemen because of lack of money.

Members of the International Federation for Alternative Trade share the IFAT Code of Practice:

1. commitment to Fair Trade
2. transparency
3. ethical issues
4. working conditions
5. equal employment opportunities
6. concern for people
7. concern for the environment
8. respect for producers' cultural identity
9. education and advocacy

Target groups

Fair Trade products are purchased directly from cooperatives or small business set up by farmers and craftsmen. IFAT producer organisations are based in African, Asian and Latin American nations. Many work with disadvantaged people who are vulnerable to exploitation, such as single women heads of households, disabled people, seasonal agricultural workers and slum dwellers. Fair Trade products include textiles, jewellery, indigenous musical instruments, decorative objects and a host of other handcrafted items plus foodstuffs such as coffee, tea, honey, nuts and spices.

Organisation

IFAT is a global network of 154 fair trade organisations in 49 countries around the world. The present members of IFAT fit into three categories: producers, exporting "alternative" trading organisations (ATOs) in the South and importing ATOs in the North. Groups not directly involved in import/export but who share the objectives of IFAT are welcomed as (non-voting) observers.

ATOs in southern countries work with producer groups to guarantee that producers receive fair prices and to find markets for their products. ATOs located in industrialised countries sell fair trade products through retail stores, mail order catalogues, church bazaars and home enterprises.

EFTA consists of 11 member organisations in 9 European countries and is concerned with the exchange of information, co-ordination of activities and improved specialisation and division of tasks between the members. This allows them to provide better and more expert advice to their partners and to operate more efficiently. The Fair Trade Organisation (FTO) Netherlands is one of the members of IFAT and EFTA. FTO is an idealistic professional organisation for development co-operation with 100 employees and 80 voluntary workers. FTO products are sold through World Shops.

Monitoring

IFAT members will be expected to carry out an annual self-assessment and produce a report for the IFAT Secretariat, which monitors their performance against the IFAT Code of Practice. No one methodology has been prescribed for this self-monitoring exercise, but IFAT is encouraging a developmental approach, which inspires members to recognise their strengths and weaknesses and work on improving them.

Market impact

The experiences of numerous producer groups are showing that Fair Trade is effective and allows the partners to improve both their economic and social position. In the Netherlands, Fair Trade now attracts increasing numbers of critical consumers, as is evidenced by the rapidly increasing turnover rates. The annual turnover of FTO amounts to around 14 million ECU. The World Shop movement in the Netherlands has expanded into a chain of 400 shops with a total annual turnover of around EUR 7 million. FTO also supplies fair Residence Coffee to the Dutch parliament, the European Parliament, 235 municipal authorities, 4 provincial governments and a growing number of supermarkets.