

FAIR TRADE FOR A MORE EQUITABLE WORLD
- AN OVERVIEW -



Prepared by
Sustainable Business Associates
Route du Châtelard, 56
CH-1018 Lausanne - Suisse
Tél. : +41 21 648 48 84
Fax : +41 21 648 48 84
E-mail : sba@sba-int.ch

FOREWORD

The following paper is a compilation of a several documents. It is a summary of reports, facts sheets and internet data and can be used as an information source in order to have an overview of fair-trade specificities. The references in the documents used are available in the annex of this document. The references of the documents used are available in the annex.

This paper was developed within the framework of the DELTA Programme which is supported by the Swiss Agency for Development and Cooperation. This document was compiled by Karim Zein and Majdoulaine Semlali. We would like to thank Avishan Chanani for editing the text.

GLOSSARY

An **agricultural subsidy** is a governmental subsidy paid to farmers to supplement their income, help them manage the supply of agricultural commodities, and bolster the supply of such commodities on international markets. Examples of such commodities include wheat, feed grains (grain used as fodder, such as maize, sorghum, barley, and oats), cotton, milk, rice, peanuts, sugar, tobacco, and oilseeds such as soybeans.

Alternative trade organizations (ATOs) are deeply committed to supporting people centered development. As exporters and retailers, they work directly with artisan groups to ensure makers are paid a fair wage and have safe and healthy working conditions. They offer technical and business expertise and monitor product quality. Some ATOs use design consultants to ensure that artisans produce marketable articles.

In economics, the theory of **comparative advantage** explains why it can be beneficial for two countries to trade, even though one of them may be able to produce every kind of item more cheaply than the other. What matters is not the absolute cost of production, but rather the ratio between how easily the two countries can produce different kinds of things. The concept is highly important in modern international trade theory.

A **developing country** is a country with a relatively low standard of living, undeveloped industrial base, and moderate to low Human Development Index (HDI). The term has tended to edge out earlier ones, including the Cold War-defined "Third World". Development entails a modern infrastructure (both physical and institutional), and a move away from low value added sectors such as agriculture and natural resource extraction. Developed countries usually have economic systems based on continuous, self-sustaining economic growth and high standards of living. The application of the term 'developing country' to all of the world's least developed countries could be considered inappropriate: a number of poor countries are not improving their economic situation (as the term implies), but have experienced prolonged periods of economic decline.

Equity is the name given to the set of legal principles, in countries following the English common law tradition, which supplement strict rules of law where their application would operate harshly, so as to achieve what is sometimes referred to as "natural justice." It is often confusingly contrasted with "law", which in this context refers to "statutory law" (the laws enacted by Parliament), and "case law" (the principles established by judges when they decide cases).

Ethical consumerism (or Consumarchy) is buying things that are made ethically (this means a set of principles of right conduct) by companies that act ethically. "Ethical" can be a subjective term both for companies and consumers, but could be considered to mean without harm to or exploitation of humans, animals or the natural environment.

Foreign aid (also *international aid* or *overseas aid*) is a situation in which one country helps another country through some form of donation. The main recipients of foreign aid are developing countries (i.e. "The Third World"), and the main contributors are developed countries (ie. "the First World").

The **North-South divide** is the socio-economic and political division which exists between the wealthy developed countries, known collectively as "The North", and the poorer developing countries, or "The South". Although most nations comprising the "North" are in fact located in the Northern Hemisphere, the divide is not primarily defined by geography. The term was coined to differentiate the cultural divide between East and West. The north-south divide also refers to the split between the more powerful Northern and the less powerful Southern Hemisphere. Nearly all of the world's wealth and power is held by the northern half of the globe, the home to four out of five permanent members of the Security Council and all members of the G8.

Opportunity cost is a term used in economics to mean *the cost of something in terms of an opportunity forgone* (and the benefits that could be received from that opportunity), or *the most valuable forgone alternative*. For example, if a city decides to build a hospital on vacant land that it owns, the opportunity cost is *some other thing* that might have been done with the land and construction funds instead. In building the hospital, the city has forgone the opportunity to build a sporting center on that land, or a parking lot, or the ability to sell the land to reduce the city's debt, and so on.

Perfect competition is an economic model that describes a hypothetical market form in which no producer or consumer has the market power to influence prices. According to the standard economical definition of efficiency (Pareto efficiency), perfect competition would lead to a completely efficient outcome. The analysis of perfectly competitive markets provides the foundation of the theory of supply and demand.

A **tariff** is a tax on imported goods. When a ship arrives in port a customs officer inspects the contents and charges a tax according to the tariff formula. Since the goods cannot be landed until the tax is paid it is the easiest tax to collect, and the cost of collection is small.

CONTENTS

GLOSSARY	3
GENERALITIES	6
1. HISTORY	6
2. FAIR-TRADE LABELS	6
3. KEY PRINCIPLES OF FAIR TRADE	6
CERTIFICATION AND STANDARDS	8
1. THE FAIR-TRADE CERTIFICATION SYSTEM	8
2. FAIR TRADE STANDARDS	9
2.1. 'CAFEDIRECT' STANDARDS	9
2.2. IFAT STANDARDS FOR FAIR-TRADE	10
FACTS AND FIGURES	11
1. INTERNATIONAL FAIR-TRADE INITIATIVES	11
2. FIGURES	12
3. THE COFFEE MARKET CASE STUDY	14
FAIR-TRADE DEBATE	15
1. FAIR-TRADE PROTAGONISTS AND ANTAGONISTS	15
2. FAIR-TRADE VERSUS FREE TRADE	16
SOME CLARIFICATIONS ABOUT FAIR TRADE	17
ANNEXES	18
INTERNET LINKS AND SOURCES	25

GENERALITIES

1. History

Development agencies recognised the important role that consumers could play in improving the situation for producers. By buying directly from farmers at better prices thus, helping to strengthen their organisations and marketing their produce directly consumers have opportunity to buy products which were bought on the basis of fair-trade.

The first fair-trade labelling initiative was established in 1988 in the Netherlands with the Max Havelaar label, based on a fictional character who opposed the exploitation of coffee producers in former Dutch colonies. The idea of placing a label on a product identifying it as fairly traded enabled such products to be bought and sold outside of traditional trade networks, making it more accessible to mainstream consumers. By 1997, there were 17 national consumer initiatives in Europe, North America and Japan. In that year, they came together to form the umbrella body, the Fair-Trade Labelling Organizations International (FLO) with the goal of harmonizing their various standards and certification procedures to strengthen fair-trade labelling movement worldwide.

Today there are 19 labelling initiatives in 20 countries including Australia and New Zealand as well as Mexico, under the umbrella of the Fair trade Labelling Organizations International (FLO).

2. Fair-trade labels

These labels focus on labour and living conditions of workers and other personnel employed in the production processes in developing countries. Often, these labels focus on processes that are more or less 'natural', such as agricultural production. The idea behind fair trade labels is to protect small producers in developing countries, and to foster a market for their produce in developed countries. In addition, they also attempt at establishing some minimum standards for labour welfare, abolishing child labour and encouraging unionization of labour for collective bargaining (some examples of fair-trade labels are featured annex 1).

Fair trading relations, include:

- a price that covers the cost of production
- social premium for development purposes
- partial payment in advance to avoid small producer organisations falling into debt
- contracts that allow long-term production planning
- long-term trade relations that allow proper planning and sustainable production practises

3. Key principles of fair-trade

3.1. Creating opportunities for economically disadvantaged producers

Fair-trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalized by the conventional trading system.

3.2. Transparency and accountability

Fair-trade involves transparent management and commercial relations to deal fairly and respectfully with trading partners.

3.3. Capacity building

Fair-trade is a means to develop producers' independence. Fair-trade relationships provide continuity, during which producers and their marketing organizations can improve their management skills and their access to new markets.

3.4. Payment of a fair price

A fair price in the regional or local context is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just (equity) and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fair traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.

3.5. Gender Equity

Fair trade means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organizations.

3.6. Working conditions

Fair-trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the laws and norms in the local context.

3.7. The environment

Fair-trade actively encourages better environmental practices and the application of responsible methods of production.

1. The fair-trade certification system

The fair-trade label is a “seal of approval” that appears on products that meet internationally agreed fair-trade standards and which guarantees to consumers that their purchases will benefit the producers, their families and the surrounding communities from the developing countries that they originate from.

The fair-trade guarantee to consumers is backed by a certification and trade audit system that applies to all companies in the supply chain up to the point of final packaging. This includes fair-trade certified producers (who comply with fair-trade standards), fair-trade registered importers (who pay a fair-trade premium, in addition to minimum prices, that supports social, economic and environmental development) and fair-trades licensees (who are licensed to apply the fair-trade label to packaged products and sell them in to the market).

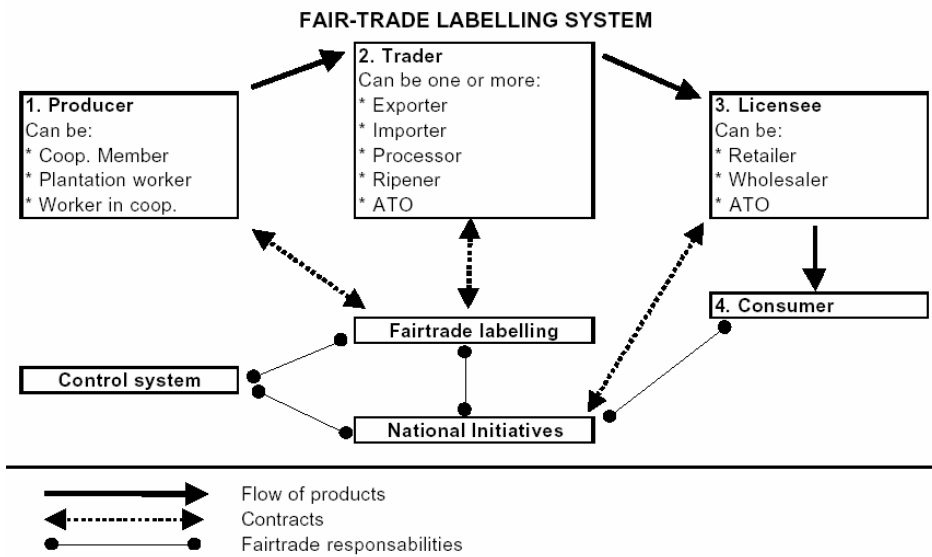


Fig 1 | Fair-trade labelling system

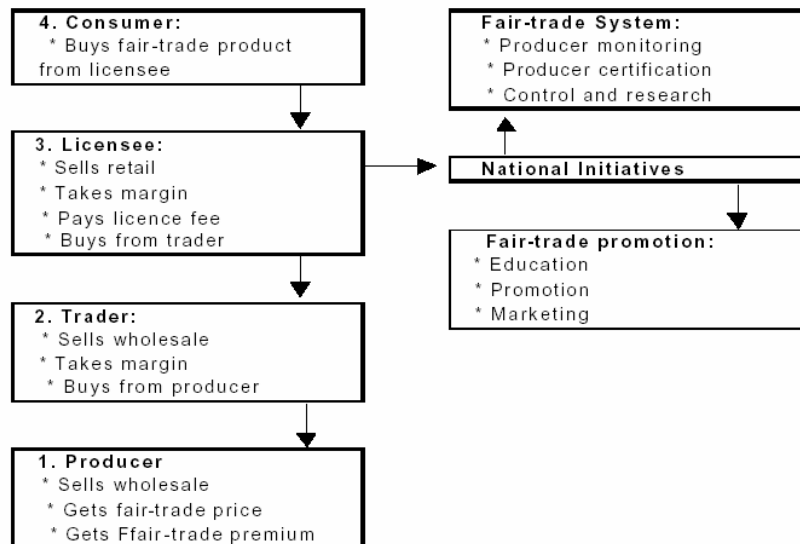


Fig 2 | Flow of funds under the fair-trade scheme

2. Fair-trade standards

There are 2 main types of fair-trade standards for developing country producers – for smallholder producer organisations and for hired labour situations. Fair-trade standards for smallholder producer organisations include requirements for democratic decision-making, ensuring that producers have a say in how the fair-trade premiums are invested. They also include requirements for capacity building and economic strengthening of the organisation. Fair-trade standards for hired labour situations ensure that workers receive decent wages and enjoy the freedom to join unions and bargain collectively. Fair-trade certified plantations must also ensure that there is no forced or child labour and that health and safety requirements are met. In a hired labour situation, fair-trade standards require a “joint body” to be set up with representatives from both management and workers. This joint body decides on how fair-trade premiums will be spent to benefit plantation workers.

For some products, such as coffee, only fair-trade standards for smallholder organisations are applicable. For others, such as tea, both smallholder producers and plantations can be certified.

Depending on the product, there may also be specific environmental requirements to be met. As of July 2006, generic environmental standards will be applicable across all product categories.

Given the development focus of fair-trade, FLO standards contain minimum requirements that all producer organisations must meet to become certified as well as progress requirements in which producers must demonstrate improvements over time.

Fair-trade standards now exist for a wide range of products from coffee, cocoa, tea, nuts and spices to fresh and dried fruits, wine and sports balls.

2.1. ‘Cafédirect’¹ standards

Production

Fair-trade goods must be produced in accordance with specified environmental, health and safety standards.

For small farmers' co-operatives:

- A democratic structure that allows all members to participate in the co-operative's decision making processes.

For plantations and factories:

- Decent wages - at least the legal minimum
- Good accommodation
- Minimum health and safety standards
- The freedom to join trade unions

For all types of production:

- No child or forced labour
- Programmes for environmental sustainability

Trading

Fair-trading terms must include:

¹ Cafédirect is the UK's largest fair trade hot drinks company. The brands of Cafédirect are sold through most of the major supermarkets. The company buys from 33 producer organisations in 11 countries, ensuring that over a quarter of a million growers receive a decent income from this trade.

- A price that covers the cost of production
- A social 'premium' to improve living and working conditions
- Partial payment in advance to prevent small producer organisations falling into debt
- Contracts that allow long term production planning

2.2. IFAT² standards for fair-trade

- Creating opportunities for economically disadvantaged producers (supporting the poorest producers)
- Transparency and accountability (dealing fairly and openly with trading partners)
- Capacity building (developing the skills of producers and creating opportunities for trading their products)
- Promoting fair-trade (telling as many people as possible about fair-trade and informing customers where products have come from)
- Payment of a fair price (ensuring that producers receive a fair price for their products)
- Gender equity (providing equal pay and opportunities for women and men)
- Working conditions (ensuring that producers are working in a healthy and safe place)
- Child labour (ensuring that the UN Convention on the Rights of the Child is respected)
- The environment (ensuring that materials and processes used in production and packing do not damage the environment)

The full fair-trade standards of IFAT are available in annex 2.

² The International Federation for Alternative Trade (IFAT) aims to improve the livelihoods of disadvantaged people in developing countries by linking and strengthening organisations that offer just alternatives to unfair trade structures and practices.

FACTS AND FIGURES

1. International fair-trade initiatives

The fair trade organisations are part of a growing international movement working to promote fair trade. The largest percentage of fair-trade is centred in Europe. Below are listings of associations and fair-trade labelling initiatives working to promote fair-trade internationally.

International Federation of Alternative Trade (IFAT)

Established in 1989, IFAT is a coalition of more than 70 Alternative Trade Organizations (ATOs) from more than 30 nations. Through IFAT, handicraft and agricultural producer organizations in developing countries and ATOs from both the North and South unite to offer a just alternative to unfair trade structures and practices. IFAT advocates with national governments and international trade institutions for the rights of exploited producers and provides information services to its members to both help increase sales and enhance the benefits of fair trade.

European Fair Trade Association (EFTA)

EFTA is an association of 11 fair trade organizations in 9 European countries. It was established in January 1990 after 10 years of informal cooperation. EFTA seeks to stimulate practical cooperation between its members, develop common policies and offer joint support to producers and strives for the adoption of fair-trade principles in commercial trading in Europe. EFTA members import from over 550 producer groups in 44 countries.

Fairtrade Labelling Organizations International (FLO)

FLO, founded in June 1992 by EFTA and Transfair Germany as Transfair International, is the worldwide Fairtrade standard setting and certification organization. It permits more than 800'000 producers and their dependants in more than 40 countries to benefit from labelled Fairtrade. FLO guarantees that fair-trade certified products sold anywhere in the world conforms to Fairtrade Standards and contributes to the development of disadvantaged producers. FLO helps consumers distinguish fairly traded products in the marketplace through the provision and monitoring of a logo or seal that is offered to traders which buy from registered cooperatives in developing countries and abide by fair-trade criteria. Products that can be certified at this time include coffee, tea, cocoa, honey, sugar, rice, fresh fruit, juices, and sports balls. The availability of these certifications varies from country to country.

TransFair USA

TransFair USA, a nonprofit organization, is one of twenty members of Fair-Trade Labelling Organizations International (FLO), and the only third-party certifier of fair-trade products in the United States. They audit transactions between US companies offering fair-trade Certified™ products and the international suppliers from whom they source, in order to guarantee that the farmers and farm workers behind fair trade certified goods are paid a fair, above-market price. In addition, annual inspections conducted by FLO ensure that strict socioeconomic development criteria are being met using increased fair-trade revenues.

Max Havelaar Foundation

In 1988, the Max Havelaar Foundation introduced a "Max Havelaar" quality seal for coffee in the Dutch market. It has since been introduced in other European countries including Switzerland. Coffee roasters seeking the right to sell coffee under the seal must comply with a number of fair-trade criteria. Besides coffee roasters, Max Havelaar is working with companies offering chocolate, tea and bananas.

Network of European World Shops

Over 2,500 World Shops in Europe sell fairly traded products from small-scale producers in developing countries. Along with providing retail goods, it provides informational materials on conditions of world trade and its consequences for producers in developing countries. Campaigns combine education with political lobbying. Their current campaign focuses on the effect of trade liberalization on small-scale food producers in developing countries.

2. Figures

In 2005, there are 531 producer organisations certified by the FLO, representing over one million of farmers and workers, coming from over 50 countries in Africa, Asia and Latin America. Including their dependents, five million people are affected.

Fair trade products are available from nearly 79,000 points of sales throughout Europe; the concept of a fairer exchange between marginalised producers in Africa, Asia and Latin America and consumers in the industrialised countries has become firmly grounded.

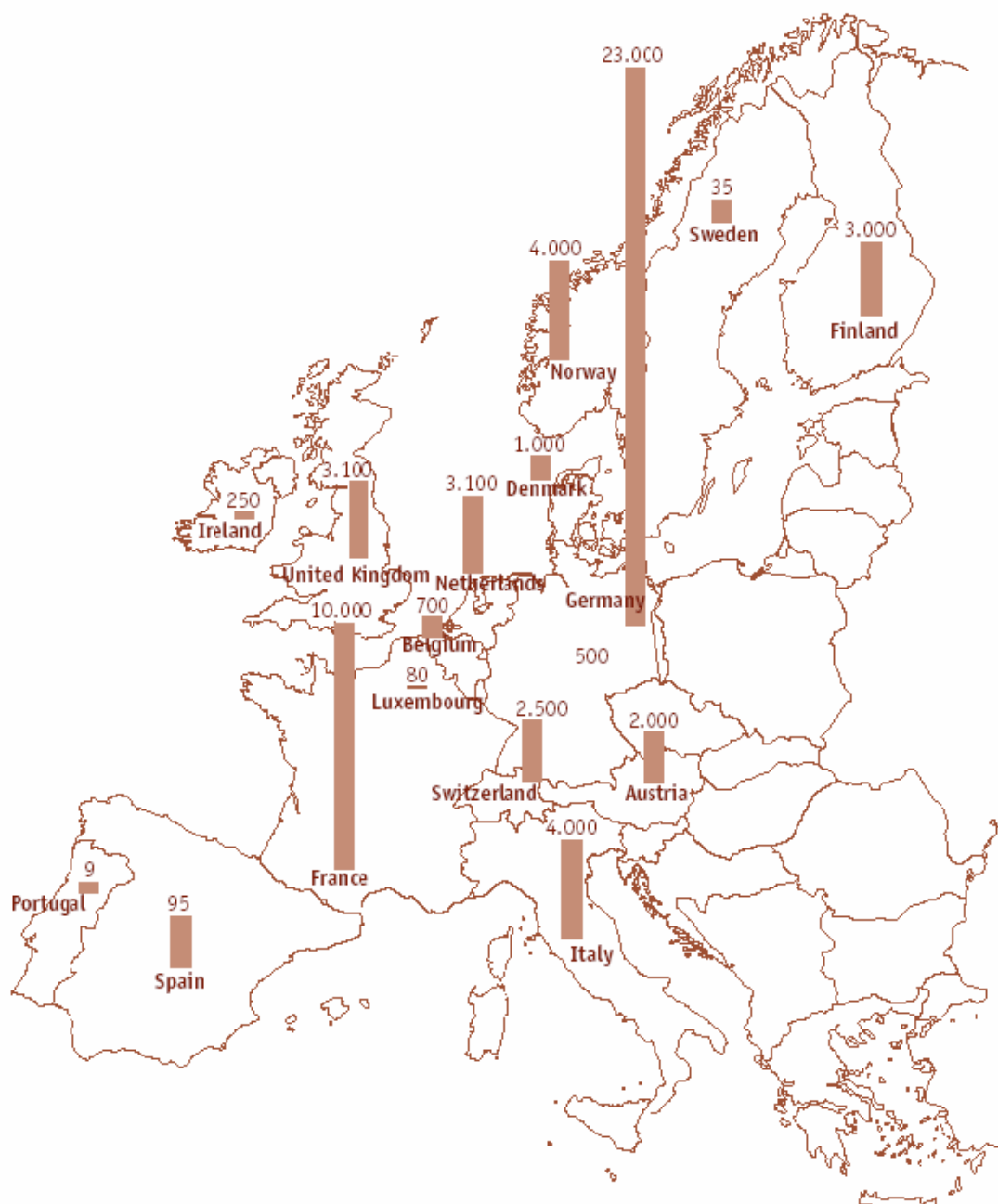


Fig. 3 | Supermarkets selling fair-trade products (2005)

Also, 667 registered traders, consisting of exporters, importers, processors and manufacturers, are coming from 50 countries all over the world.

Between 2003 and 2004, fair trade labelled sales across the world grew by 56% to over 125'000 Metric Tones (MT), representing a fantastic growth.

Sales of certified fair trade products mean extra benefits for FLO certified producer organisations. The extra benefits for coffee farmers, for instance, during 2003, taking the world market price as defined for Arabica by the New York - and for Robusta by the London - stock exchange compared with the fair-trade minimum price and premium, amounts to over USD 22 million.

1997	25,972	-
1998	28,913	+11.3 %
1999	33,495	+15.8 %
2000	39,750	+18.7 %
2001	48,506	+22.0 %
2002	58,813	+21.2 %
2003	80,633	+42.0%
2004	125,596	+56.0%

Fig. 4 | General sales in Metric Tones (MT) by fair-trade labelling

Market share in %	Bananas	Coffee	Flowers	Honey	Sugar	Tea
Switzerland	47.0	6.0	28.0	14.0	9.0	5.0
United Kingdom	5.5	20.0	n/a	n/a	n/a	5.0

Fig. 5 | Market shares of top performing fair-trade products in Switzerland and United Kingdom (2004)

3. The coffee market case study

The world's major coffee-producing countries are also some of the poorest countries in the world. This map shows the top 10 coffee producers in 2002-2003 crop year, and their respective 2001 gross domestic product (GDP) per person and ranking position in the UN Development Programme's 2003 Human Development Index. GDP per capita and Health Development Index (HDI) rank are also provided for the top-five coffee importing countries, for comparison.

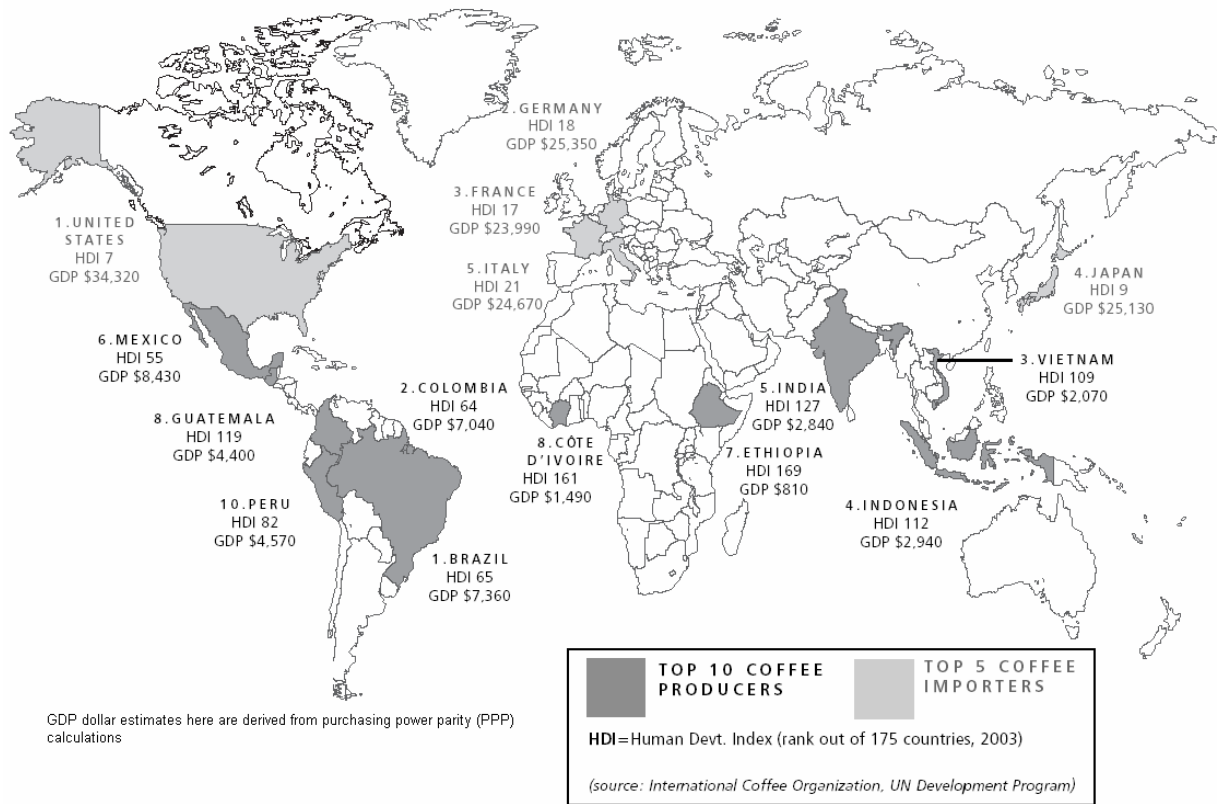
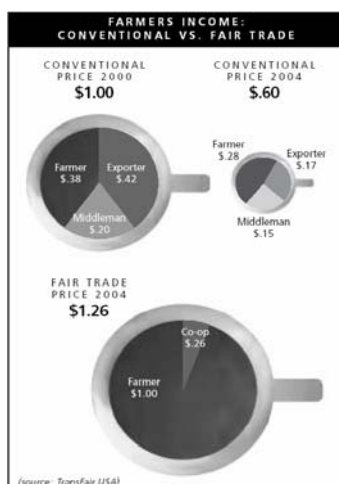


Fig. 6 | top 10 coffee producers and importers (2003)

Fair trade products can include anything from crafts to bananas to chocolate, but fair-trade coffee has received particular attention. Prices for coffee have plunged over the past decade or so, reaching 100-year inflation adjusted low in 2002, according to the U.S. Agency for International Development. Innumerable growers have been hit hard, especially in regions like Central America and East Africa where many farmers have not even been able to cover the costs of production.

The California-based human rights organization Global Exchange says that the drastic fall in world coffee prices have “pushed millions of coffee farmers and workers into malnutrition and starvation.” To survive, to avoid crippling debt, or to forestall losing their farms, the group adds, coffee growers have sometimes been forced to sell their next crop in advance to exploitative middlemen, at far below market prices.



In contrast to this scenario, growers working within the fair-trade system are guaranteed a minimum price for their coffee beans—currently USD1.26/pound for conventional coffee and USD1.41/pound for organic coffee. These figures compare to a market price that consistently remained below 80 cents/pound between 2001 and 2004. World market prices rise above fair trade thresholds; buyers pay producers a market price plus a premium. Because traders pass on to consumers the higher fair-trade price (and/or premium) that they pay to producers, the prices for fair-trade coffee are generally higher for consumers than those of their regularly traded competitors.

Fair-trade coffee consumers are, however, ensured a high quality product—often organically grown—with the added benefit of knowing that they have helped small coffee growers who have been treated more fairly than they might have been in the conventional marketplace.

1. Fair-trade protagonists and antagonists

Free-trade advocates have argued that free trade is already fair trade because it involves a voluntary transaction which in turn implies no coercion resulting from those transactions. They further argue that fair trade, if mandated by governments rather than implemented voluntarily, would result in high prices in the first world and slowed growth rates and higher unemployment in the developing world.

The primary economic argument against fair trade is that there is a contradiction between what the fair trade movement wants to do and the effects of the policies themselves. For example the fair trade movement seeks to increase the price of coffee for third world producers. It does this not by seeking to effect the real determinants of price, supply and demand, but by simply saying - this is the new price, pay it. Indeed the ultimate effect of the price increase would generally have a contradictory effect - when the price of a good rises, the supply of that good increases. Third world producers are going to see that the price of coffee has risen, thus they will grow more coffee, people may leave towns, return to the countryside and start growing coffee themselves. Yet when the supply of something increases without a concordant increase in demand - the price falls. Thus in the end the effect on an economy as a whole would be at best neutral, but more likely negative as when the price falls or western consumers inevitably lose interest in fair-trade there will now be more people whose livelihood depends on coffee prices. Indeed the 'problem' at the moment is that there is an oversupply of coffee, which pushes down prices, yet the effect of increasing the price would be to increase the supply by even more. Given these fundamental economic laws the only conceivable way for coffee prices to increase in the long-term would be for supply to fall (scarce goods command a higher price than abundant ones (i.e. oil prices versus water prices) or demand to rise (coal prices have risen because of increased demand from China, etc.). In summary the fair-trade movement ignores a fundamental insight of economics - prices are not pulled out of thin air, but are determined by supply and demand.

Critics of this analysis, however, are often quick to point out that supply of a good is determined not only by its end cost to consumers, but by the good's cost to produce. The opportunity cost of coffee production is often very small for coffee producers, because such production (and agricultural production in general) requires a very specific skill set that would not likely be better applied outside of the agricultural market. Given the coffee market's similarities to a perfectly competitive market, producers - finding other agricultural markets more attractive - would typically cease production given long periods of price depression. However, this does not happen due to unequal access to world agricultural markets.

Large agricultural subsidies in developed nations impede the ability of agricultural producers in poor nations to exercise much of their obvious comparative advantage in agricultural production.³ Coffee is largely unsubsidized simply because it does not typically grow in the so-called "global north" where the most damaging subsidies are enacted. Combined with unfair tariffs, critics claim these factors force coffee producers to compete among each other however they can, without the skills or market access necessary to produce anything else. This artificially depresses prices and prevents producers from exiting the market when otherwise appropriate. As a result, many consumers choose to purchase fair trade goods believing that producers would be better able to use their skills given fair market conditions, and should not have to suffer due to harmful trade restrictions. Consumers may also recognize the ecological impact of so much excess supply of coffee and hope to take some action to promote sustainable and ecologically friendly growing practices that would not otherwise take place.

Another critic of fair-trade would be the observation that no country in human history has become wealthy while remaining primarily agricultural, and that in encouraging people in the third world to stay on farms it will harm their development in the medium to long term.

³ *As in the case of the cotton conflict between the United States and Burkina Faso (<http://www.brookings.edu/views/articles/rice/20040521.htm>)*

2. Fair-trade versus free trade⁴

In the past, suggestions that "unfair" goods be taxed, or that standards such as those of the International Labour Organisation (ILO) be required in order for countries to participate in international trade⁵, have led to heavy criticism by advocates of free trade. Although many organisations and individuals involved in fair-trade campaigns are still uneasy about unfettered free trade, they are now generally more cautious about arguing for protectionism or coordinated international intervention. There is a greater awareness that there is no single perspective from which trade is "fair".

However, there are also "fair-trade" demands that come from the perspective of developing country producers - today the emphasis is on the *lack* of free trade caused by the protectionism, including agricultural subsidies, of the developed world. Without such rich-country protectionism, it is argued poor countries might stand a chance of seriously alleviating poverty; yet reducing it will lead to some producers in the developed world losing out. One reason for the increasing popularity of fair-trade labelling is that it avoids these issues of government intervention and complex and drawn-out negotiations between governments, allowing consumers to voluntarily help disadvantaged producers in poor countries.

⁴ Read also the article of Paul Gunstensen (*Development in Action*, Spring 2005) in annex 3.

⁵ For example, some Italian consumer organisations proposed in the 1980s that goods that were imported to Italy should be taxed inversely proportionate to the degree to which social and ecological standards of the exporter matched those of Italy - in other words, lower standards meant a higher offsetting tariff. The money so collected would presumably be spent on foreign aid to bring the exporting nation up to Italian standards - thus, all purchasing in Italy would become moral purchasing within the Italian ethical tradition.

SOME CLARIFICATIONS ABOUT FAIR TRADE

What is the difference between certification and labelling?

Certification means that a given product or company has been checked by an independent third party for meeting a given set of standards. Many product-based certification systems will also use labelling as a tool to help consumers recognize products that meet certification standards. However, not all eco-labels are supported by credible certification systems.

Who runs social and environmental certification and labelling initiatives?

Most social and environmental certification and labelling initiatives are voluntary programmes that are run by non-state organisations, be they NGOs, industry players or multi-stakeholder platforms that ensure balanced participation from all interested parties. The governance structures vary dramatically between initiatives.

Social certification system

A number of social certification systems operate around the world mainly focusing on workers rights based on the ILO. Examples of such ethical codes include Social Accountability International and its SA 8000 standard, the Clean Clothes Campaign and the Fair Labour Association. Most of these were developed for the footwear and apparel industry and the primary goal is to protect workers rights. While the actual code or standard used is very similar there are a number of differences in their verification rules and procedures.

These systems are generally used by brand name companies to monitor and improve the labour conditions of their supply chain partners. They are generally not used as an end consumer tool and therefore, rarely use product labels. These systems can be complementary to the fair-trade certification systems in that there is a common interest in ensuring workers rights. However, fair-trade also has a developmental and capacity building focus and given this, the entry point into the system may be different from other systems. Fair-trade is also the only social system that includes a built-in mechanism to fund required improvements through the social premium. Given this developmental focus, a producer group could graduate from the fair trade system and move into an other social systems.

What about environmental protection?

Some certification and labelling systems only address social justice issues in their standards while others only focus on environmental protection. A few initiatives cover both social and environmental protection. Fair-trade includes generic environmental standards that cover minimum environmental standards based on integrated pest management (IPM) with a view to building capacity in environmental protection over time. Certification standards with a stronger focus on environmental requirements include organic agriculture certification and the Rainforest Alliance Certified programme.

How can we tell if a product label is credible?



It can be difficult to tell if a product label is credible. Given that there are a number of different aspects to the credibility of a label, it is important to find out about a given label including getting answers to the following questions:



- Is there an independent third party certification system that backs up the claims made?
- Is the process through which the standards are set open and transparent with participation from all interested parties?
- Are the standards freely available?
- Are the standards set at a high enough level to really drive change toward social and environmental sustainability?
- Are the governance structures set up in such a way as to ensure balanced representation of different interests in decision-making?

There are also a number of networks of certification initiatives working to ensure high quality and credible systems.

ANNEXES

Annex 1 | Social Responsibility labels

Label	Product categories	Meaning	Consumers evaluation	Contact
 <p>Fair Trade Certified</p>	<p>Beverages: coffee, hot chocolate, tea</p> <p>Candy: chocolate bars</p> <p>Cocoa: cocoa powder</p> <p>Fruit: bananas, grapes - table, mangoes, pineapples</p> <p>Grains: rice</p> <p>Sweeteners: sugar</p>	<p>The Fair Trade label programme is a social responsibility label. The standards aim to ensure that the farmers receive a fair price for their product. To bear the label, products must be grown by small farmers who belong to cooperatives and who are paid a fair minimum price. In addition, in order to use the Fair Trade label, the buyer must pay a fair price and be willing to pay up to 60% of the purchase in advance. In this way, TFUSA hopes to reduce the vulnerability of small farmers to the volatility of the coffee market.</p> <p>TransFair describes fair trade as a powerful, dynamic, alternate economic model that strives to protect the market over the long term including the self reliance of small-scale farmers and protecting vital eco-systems throughout the developing world thereby strengthening rural communities</p>	<p>The Fair Trade label is meaningful and clear with standards that support the concept of a social responsibility label. The criteria ensure that a fair price is guaranteed to the farmer. The programme also supports credit plans, training workshops, and encourages organic techniques in farming especially in developing countries.</p>	<p>TransFair USA (TFUSA)</p> <p>1611 Telegraph Avenue, Suite 900 Oakland, CA 94612 Phone: 510-663-5260 Fax: 510-663-5264 Email Contact: transfair@transfairusa.org</p>
 <p>Food Alliance (FA)</p>	<p>Dairy products: milk</p> <p>Frozen foods: frozen food</p> <p>Fruit: apples, bananas, berries - other, blackberries, blueberries, boysenberries, cherries, cranberries, currants, figs, gooseberries, grapefruit, grapes - table, loganberries, marionberries, melons, nectarines, oranges, peaches, pears, raspberries, rhubarb, strawberries, tayberries, watermelon</p> <p>Grains: wheat</p> <p>Meat: beef, lamb</p> <p>Nuts: chestnuts</p> <p>Vegetables</p>	<p>Food Alliance (FA) is a coalition of farmers, consumers, scientists, grocers, processors, distributors, farm worker representatives and environmentalists that certifies farmers for sustainable agriculture practices. Farmers must meet FA standards for pest and disease management, soil and water conservation, and human resource development. Farmers are required to submit a farm improvement plan and sign an affidavit that genetically engineered crops are not used. The pest and disease management, and soil and water conservation standards were designed by Thomas Green (independent contractor) and copyrighted by Food Alliance.</p> <p>This means that no other certifier can use FA standards. The pest management standards are tailored for each specific type of crop while the soil and water conservation standards and the human resource checklist are only evaluated at the whole farm level. The whole farm evaluations and the specific crop evaluations are based on a point system where a score of at least 70% (of the maximum points) is necessary for FA certification.</p> <p>Food Alliance also forms partnerships with retailers. This is not a certification programme but rather a way to promote FA products in the marketplace. Retailers pay a licensing fee for FA logo usage and can purchase merchandise for FA promotion.</p>	<p>The Food Alliance label is a meaningful sustainable agriculture label. The FA label has three main standard areas. The first two, the pest management and soil/water conservation guidelines, were developed through an outside consultant and are copyrighted by Food Alliance. These are sound guidelines.</p> <p>However, the FA copyright is a significant impediment to FA's mission to promote sustainable agriculture. Farms wishing to follow these guidelines and receive certification may only be FA certified. The pest management guidelines do not include a list of prohibited pesticides, which would make the FA label stronger. The human resource checklist is a useful tool that incorporates some aspects of social responsibility. However, this list is extremely qualitative and general.</p> <p>FA had stated that it is in the process of updating this list. FA is transparent in providing its standards and organization information and has an explicit policy that does not allow members who are FA certified from serving on the board of directors. FA is therefore independent from the product that is certified.</p>	<p>Food Alliance (FA)</p> <p>1829 NE Alberta, Suite 5 Portland, OR 97211 Phone: 503-493-1066 Fax: 503-493-1069 Email Contact: info@foodalliance.org</p>

Label	Product categories	Meaning	Consumers evaluation	Contact
 <p>FSC (Forest Stewardship Council)</p>	<p>Paper Wood</p>	<p>The Forest Stewardship Council (FSC) is an international accrediting organization that has developed standards to certify wood harvested from well-managed forests and wood products made from FSC certified wood. The FSC was founded in 1993 by the World Wide Fund for Nature, environmental and conservation groups, the timber industry, the forestry profession, indigenous people's organizations, community forestry groups and forest product certification organizations from 25 countries.</p> <p>The FSC is headquartered in Oaxaca, Mexico although it has regional offices worldwide. In addition to the Forest Management Programme, FSC also offers a Chain of Custody Programme that accounts for how the certified wood is managed once it leaves the forest. Labels on these products may also include a statement regarding the percentage of FSC wood in the product.</p> <p>The Forest Stewardship Council (FSC) accredits certifying organizations to certify wood against the 10 principles (with criteria) developed by FSC. These principles include environmental, social and economic impacts of the forest industry. Genetic engineering is not allowed. However clearcutting and use of chemicals including herbicides and preservation of old growth forests are only addressed in a general way without specific requirements. Workers have the right to organize.</p>	<p>The Forest Stewardship Council (FSC) certification programme supports sustainable wood and socially responsible labels. However, the FSC label has varied in meaning since the programme began.</p> <p>For example, prior to February 2000, chip and fiber products had to contain at least 70% FSC certified wood to qualify for the label. However, after February 2000, the minimum dropped to 30%. This standard will then be raised to 50% by 2005.</p> <p>This unexpected relaxation in the standards has been described by FSC as a way to increase market involvement. Although it is common for standards to evolve, a drastic cut in standards decreases the meaning and clarity of the FSC label and can mislead consumers.</p>	<p>Forest Stewardship Council (FSC) 1134 29th Street NW Washington D.C. 20007 Phone: 877-372-5646 Fax: 202-342-6589 Email Contact: info@foreststewardship.org</p>
 <p>Rainforest Alliance Certified</p>	<p>Beverages : coffee, orange juice Candy : chocolate bars Fruit : bananas</p>	<p>Rainforest Alliance (RA) follows standards set by the Sustainable Agriculture Network (SAN)(also formally known as the Conservation Agriculture Network) that are designed to promote tropical conservation and steer commercial agriculture practices in the tropics. SAN is an international coalition of nonprofit conservation groups and Rainforest Alliance serves as the international secretariat of SAN.</p> <p>Rainforest Alliance Certified growers follow the criteria and standards designed by SAN. Rainforest Alliance verifies that certified products have been grown using environmentally responsible management practices including integrated pest and disease management practices , soil and water conservation, fair labor treatment practices and good community relations.</p> <p>The Rainforest Alliance Certified label standards have been tailored to crops in specific regions. There are nine main criteria areas for each crop and corresponding standards that must be met.</p> <p>Within pest and disease management, there is also a list of pesticides that are prohibited for use and includes the Pesticide Action Network's (www.panna.org) "dirty dozen" and EPA red lists. Within water resource standards, waterways must be protected with buffer zones and monitored for contamination. Workers must be paid minimum wage and have the right to organize. RA does not have an official policy regarding the use of genetic engineering; however this technique is not being used in growing any certified crops at this time.</p>	<p>The Rainforest Alliance Certified label is clear and meaningful in support of sustainable agriculture, social responsibility and integrated pest management.</p> <p>The label is consistent in meaning among all certified. The does not consist of farmers and non of the members are certified by the Rainforest Alliance. In this sense, the organizations behind these labels are independent from the products that they certify.</p> <p>Board members of the Rainforest Alliance do not have any vested interest in the products that are certified and therefore there are no conflicts of interest. The RA is also transparent, providing information about funding, board of directors and standards on its website</p>	<p>The Rainforest Alliance (RA) 665 Broadway, 5th Floor New York , NY 10012 - 2331 Phone: 212-677-1900 Fax: 212-677-2187 Email Contact: canopy@ra.org</p>

Annex 2 | International Federation for Alternative Trade



Standards for Fair-Trade Support Organisations and Fair-Trade Networks

1. Creating Opportunities for Economically Disadvantaged Producers

The mission, broad goal or key objective of the organisation is to provide specialist support (financial or business development) to FTOs, or to be an umbrella body or network of Fair Trading Organisations with the aim of reducing poverty through trade.

2. Transparency and Accountability

The organisation is accountable to all its beneficiaries and other stakeholders, including IFAT. The organisation finds appropriate, participatory ways to involve employees in its decision-making processes.

3. Capacity Building

The organisation is committed to developing the skills of its own employees to ensure continually improving delivery of services to Fair-Trade Organisations. Organisations providing business development services to Fair-Trade Organisations or producers facilitate the improvement of their clients' business management skills and access to markets.

4. Promoting Fair-Trade

The organisation raises awareness of the purpose of fair-trade and of the possibility for greater justice in world trade through fair-trade by whatever means are most appropriate, taking into account the scope of the organisation and the services it delivers.

5. Fair Pay and Prompt Payments

The organisation provides its staff with a socially acceptable living wage (in the local context), considered by the staff to provide a reasonable quality of life and which takes into account the principle of equal pay for equal work by women and men. Service organisations providing business development and capacity building support to fair-trade producers encourage them to pay a socially acceptable living wage to their employees.

Fair-trade support organisations and fair-trade networks commit to prompt payment of goods and services provided to them.

6. Gender Equity

The organisation provides opportunities for women and men to develop their skills and promotes applications from women for job vacancies. Women employees are provided with leadership training and encouraged to seek leadership roles. The organisation takes into account the special health and safety needs of pregnant women on the grounds of religion, gender, caste or age. Service organisations interacting with fair-trade producers ensure that women's issues are included in their training and fair-trade awareness programmes.

7. Working Conditions

The organisation ensures that employees work in a safe and healthy environment. Working hours are in line with conditions established by law and the ILO Convention. Staff have clean water to drink, adequate sanitation and access to essential medical support. Training is provided on health and safety.

8. Child Labour

No children are employed under the age of completion of compulsory schooling and the minimum age for admission to employment according to the legislation or the country concerned.

Service organisations providing business development and capacity building support to fair-trade producers ensure that the awareness of health, safety and child labour issues are included in their training programmes.

9. The Environment

The organisation has an environmental policy in place regarding purchasing of products for its own use, disposal of waste etc. (i.e.: there is a policy in place to buy furniture and equipment made from wood from sustainably managed forests and paper which is either recyclable or made from pulp from sustainably managed forests)

Service organisations providing business development and capacity building support to fair-trade producers ensure that awareness of environmental issues are included in their training programmes. The organisation promotes the use of environmentally friendly appropriate technology, encourages energy reduction initiatives and creates awareness of environmental hazards.

Indicators for Fair Trade Support Organisations and Fair-Trade Networks

Creating Opportunities for Economically Disadvantaged Producers

1. Mission Statement: the organisation's purpose clearly exhibits a commitment to focusing its work on activities that support the reduction of poverty through income generation, business and trade.
2. Record of clients and/or beneficiaries: the organisation keeps written records and details of the clients and/or beneficiaries with whom it works.
3. The organisation has a development plan outlining what it does to promote sustainable development (especially, of livelihood options) for producers either directly or indirectly.

Transparency and Accountability

4. Awareness of the mission statement: clients, beneficiaries and employees show awareness of the organisation's mission.
5. Records or minutes of meetings: the organisation holds regular meetings to discuss the conduct of its affairs. Records of meetings are prepared and are made available to staff.
6. Evidence that the organisation disseminates relevant information to stakeholders on all aspects of its activity. There is an annual report with financial accounts, in which the organisation's progress is discussed against its initial plan of action. This can be distributed or involve a documented series of presentations about activities and financial results to key stakeholder groups.
7. The organisation keeps records of all its payments in auditable form.
8. Use of surpluses: the organisation readily shows how its surpluses are used.
9. The organisation has a well defined operation manual/policy, outlining all its support functions.

Capacity Building

10. The organisation aims to develop the skills and capabilities of its staff and its clients/beneficiaries according to the scope of the organisation and the services it delivers. This is done in a variety of ways according to local circumstances (i.e. training activities, workshops, visits, exchanges of information, business counseling, conducting market researches/studies, support in product design and development, linking with other resource organisations). The organisation reports on its capacity building work in its self-assessment and in its annual report.

Promoting Fair-Trade

11. The organisation carries out specific activities to promote the concept, values and practices of fair-trade.
12. The organisation prints literature promoting fair-trade. Presence of fliers, leaflets, brochures and the like will indicate so.

Fair Pay and Prompt Payments

13. The organisation is able to describe its remuneration policy for staff and provide evidence of systems being in place which ensure prompt payment of bills.

Gender Equity

14. The organisation has a gender policy in place which ensures that the special needs of women are met and that women are not discriminated against in any way in the work place. This gender policy will state that awareness raising on women's issues is always included in training and fair-trade awareness raising programmes.

Working Conditions

15. The organisation is able to provide evidence of:
- Having a health and safety policy in place
 - Provision of training to staff on health and safety issues
 - Inclusion of awareness raising on health, safety and child labour issues in all training programmes provided to clients and beneficiaries

Child Labour

16. The organisation is able to provide evidence of having a policy for preventing and gradually eliminating child labour in place which meets the requirements of the standard.

Environment

17. The organisation is able to provide evidence of having an environmental policy in place which meets the requirements of the standard.

Annex 3 | Free Trade vs. Fair Trade? - Paul Gunstensen – 2005

The question of whether free trade or fair trade is the answer to developing countries' problems depends on whom you ask. An orthodox economist sitting behind a desk at the United States Treasury or the International Monetary Fund would reply 'free trade'. A small-scale coffee farmer in Central America will almost certainly answer 'fair trade'. But what is the difference between the two terms and why are they so important?

The importance of trade was first recognised during the Enlightenment period in the 18th Century in the work of Adam Smith, a man often referred to as the 'Grandfather of Capitalism'. It fell to David Ricardo to develop Smith's work into his now famous theory of 'Comparative Advantage': a belief that countries should concentrate on the production of those resources or commodities that they have a comparatively greater abundance of. This theory has formed the backbone of economic thinking on trade ever since, manifesting itself into orthodox or neoclassical economics where the arguments for free trade are really played out.

Orthodox economists see trade as the 'engine of growth', and growth as the key to the alleviation of poverty in the developing world. They argue that trade can, and will, raise wages and benefits to workers as the expansion of foreign markets for their goods leads to increased demand; they therefore increase supply and get paid more. An increase in wages consequently increases the consumer capacity of the workers, who can then afford to buy foreign imports. While this a grossly simplified version of what is a complex series of events, it nonetheless suggests a situation where everyone appears to benefit.

However, the modern world is seeing the advent of a new global economy. The consolidation of capitalism, at its exploitative best, and the spread of globalisation are changing the face of trade and global business. The need to increase profit margins while decreasing production costs is the name of the game; something that orthodox economists and transnational corporations would argue is best achieved through maximising global competitiveness. They contend that countries should adopt trade liberalisation, open their markets up to foreign competition and scrap trade barriers, tariffs and regulations. The state, it is argued, should play a minimal role.

Behind these measures lies an unflinching belief in 'the market' to set prices at the 'right' level, and to provide sufficient supply to meet demand. An increase in trade increases demand and the less restrictions on this exchange the better. Trade barriers, tariffs and regulations represent restrictions that cause imperfections in the market and distort prices, and are therefore treated with disdain.

It should be noted that through the course of history, countries have traditionally sought to protect economies and industries against competition through the use of trade barriers and import tariffs and regulations. This affords local or home industries the protection needed to develop and expand into solid sectors of an economy.

It is ironic, then, that the very countries campaigning most ardently for free trade themselves benefited from trade barriers, tariffs and other protectionist measures in their own economic development. The United States is perhaps the best example, when one considers the huge pressure exerted by the US Treasury for free trade, as trade was manipulated by the US until its economy was established enough to cope with competition. Similarly, the 'tiger' economies in East Asia have used such restrictions very efficiently to bolster their economic development.

In fact, most free trading economies in the western world still use some form of regulation or corporate lobbying to ensure that their economies are protected from cheap imports and are often reluctant to scrap tariffs. The recent transatlantic stand off over tariffs imposed by the US on steel imports from the European Union is a perfect example. The tariffs, imposed to protect the vulnerable US steel industry, were eventually dropped after 21 months and only after an uncertain World Trade Organisation deemed them illegal. Many would argue that it was EU threats to slap tariffs on all things 'American', potentially very damaging to a struggling US economy, that eventually led to the climb down.

While the industrialised nations clamour for access to the domestic markets of developing countries, in a continuous scrabble for new markets and higher profit margins, reciprocal access is often effectively denied. In an interesting twist, an IMF 'openness' test (a test designed to establish how open an economy is to foreign interest and trade) found that many poor countries are now more open to trade than the pioneering free traders in the rich industrialised west.

Indeed, it would seem that the use of the word 'free' is something of a misnomer in this context, hinting as it does at elements of freedom, democracy and choice. The reality is often very different, as free trade agreements can have devastating effects on the economies of developing countries.

The liberalisation of domestic markets and the relaxation of trade barriers enables transnational corporations to invest in the infant economies of developing countries, creating competition that is unhealthy for local industries and small-scale businesses. Large transnational corporations can often weather decreasing prices and short-term losses better than the more fragile local businesses, many of which are forced out of production.

One key aspect of free trade agreements is the recognition of intellectual property rights, a crucial weapon in the transnational corporation arsenal. However, the issue of the protection of rights pretty much stops there. There is little, if any, recognition of the rights of workers or employment standards within free trade agreements. This is essentially what makes the whole concept so attractive.

For example, if a company moves production to a developing country that has an infant economy with no labour, health and safety or environmental standards, the reduction in production costs is potentially massive. The company is under no obligation to pay a minimum wage, have a set working day, have any health and safety standards or care for the environment. It is these factors that increase profit margins in industrialised countries and most companies, when offered an opportunity to cut production costs and increase revenues, will jump at the chance. This results in the 'sweatshops' that the media loves to portray.

The developing countries are in a difficult position. If they were to start advocating for labour and environmental standards and allowed workers to form unions, transnational companies would take their business and, more importantly their investment, elsewhere. There is very little room for manoeuvre, especially as foreign investment can be so crucial to the economic development of developing nations.

So free trade is not so free, it's not so equal and can be very exploitative. But what is the alternative? The concept of fair trade is not new, though it has risen to prominence in the 1990s. From humble beginnings it now accounts for £2 billion turnover worldwide, a drop in the ocean when compared to overall worldwide revenues.

Put very simply, fair-trade is an attempt at more socially conscious trade, where consumers in industrialised countries pay a premium on products, which ensures that producers receive a fair and constant price for their goods. A major principle of this type of trade is the formation of long-term contracts and relationships between consumers and producers, enabling producers to plan for the future and providing the incentive to invest in means of production.

There are many within the fair-trade community who see it as a more equitable and less hypocritical form of trade, which could act as a spur for the more balanced economic growth that developing countries need. The fair trade community has spread within Britain over the last few years, helped along by larger players entering the market. The Co-operative Society Supermarkets have been the market leaders in this respect and now stock a wide variety of products. Marks and Spencer recently announced to the stock market that it would soon be stocking fair trade clothes, made from fair trade cotton grown in India.

One of the major challenges that fair-trade faces is increasing awareness of the plight of producers and also increasing the diversity of products, important as consumer's choices and tastes fluctuate. Some have argued that while the fair trade market is expanding, at around 25 % a year, it will always occupy a small portion of the market. The real role for fair trade, they argue, is in drawing attention to the exploitative effects of free trade agreements in agriculture and food production and the apparent hypocrisy of the industrialised nations when conducting trade.

INTERNET LINKS AND SOURCES

Fairtrade Labelling Organizations International (FLO)

<http://www.fairtrade.net/>

The worldwide Fairtrade Standard setting and Certification organisation. It permits more than one million producers, workers and their dependants in 50 countries to benefit from labelled Fairtrade.

Fair Trade Federation

<http://www.fairtradefederation.org/>

Association of fair trade wholesalers, retailers, and producers whose members are committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide.

The Globalisation Institute

<http://www.globalisationinstitute.org/blog/agriculture/coffee-that-really-helps-development-20060317601/>

The Globalisation Institute is a think tank founded in 2005 with the aim of examining how globalisation can be harnessed to work for the world's poorest.

Cafédirect

<http://www.cafedirect.co.uk/fairtrade/fairtrade.php>

Cafédirect is the UK's largest fair trade hot drinks company. The company buys from 33 producer organisations in 11 countries, ensuring that over a quarter of a million growers receive a decent income from this trade.

Simon Wright

<http://www.organic-consultancy.com/>

The world of organic and Fairtrade food and drink is constantly evolving. O&F Consulting works with key players in the UK and elsewhere to help manage this development.

The European Fair Trade Association (EFTA)

<http://www.european-fair-trade-association.org/>

EFTA is an association of eleven Fair Trade importers in nine European countries (Austria, Belgium, France, Germany, Italy, The Netherlands, Spain, Switzerland and the United Kingdom). EFTA was established informally in 1987 by some of the oldest and largest Fair Trade importers.

International Fair Trade Association (IFAT)

www.ifat.org

IFAT is a federation of producers and alternative trading organizations (ATOs) seeking to improve the livelihoods and well being of disadvantaged producers by linking and promoting Fair Trade Organizations, and speaking out for greater justice in world trade. IFAT sponsors World Fair Trade Day annually.

Network of European Worldshops (NEWS)

<http://www.worldshops.org/index.html?jsessionid=186FE8B7F1D9E3B4A338BB5F3D5CE165>

NEWS is the umbrella network of 15 national Worldshop associations in 13 different countries all over Europe. Through them we represent the Worldshops - shops that offer fairly traded products and campaign for a fairer world trade system.

Global Exchange

<http://www.globalexchange.org/>

Global Exchange is a membership-based international human rights organization dedicated to promoting social, economic and environmental justice around the world. Since our founding in 1988, we have successfully increased public awareness of root causes of injustice while building international partnerships and mobilizing for change.

United Students for Fair Trade (USFT)

<http://www.usft.org/>

USFT is a national network of student organizations advocating around Fair Trade products, policies, and principles.

Fair Trade Association of Australia and New Zealand (FTAANZ)

<http://www.fta.org.au/>

FTAANZ Inc is an incorporated, not-for-profit, member based body for all individuals and organisations interested in and supportive of fair trade. It seeks to assist producers from developing countries, especially in the Asia-Pacific region, to access Australian and New Zealand markets.

World of Good Development Organization

<http://www.worldofgood.org/>

World of Good Development Organization is non-profit organization focused on building strategies to substantially improve economic and social conditions for millions of artisans and their families living on less than USD4 per day.

Canadian Fair Trade Network (CFTN)

<http://www.fairtradenetwork.ca/>

CFTN's mission is to increase the market share of Fair Trade products in Canada; in this way we hope to further social justice and environmental sustainability internationally. CFTN works to fulfill our mission through consumer outreach and education

Palestine Fair Trade Association (PFTA)

<http://www.palestinefairtrade.org/>

PFTA is a national Palestinian union of farming and producing cooperatives, traders, and processors based in Jenin that promotes and supports fair and equitable trading principles.

Local Fair Trade Network (LFTN)

<http://www.localfairtrade.org/>

LFTN promotes economic and social justice through the creation of a network of local fair trade systems. Its first step in the process is the creation of a Local Fair Trade Label. Farmers and retailers who are committed to just and sustainable practices may use the label on their locally marketed food.

EcoLogic Finance

www.ecologicfinance.org

EcoLogic Finance is a nonprofit offering affordable financial services to community-based businesses operating in environmentally sensitive areas of Latin America and Africa. Targeting the rural credit market, EcoLogic Finance provides loan capital to support low-income communities whose business activities foster environmental conservation and grassroots economic development.

Fair Trade Federation

www.fairtradefederation.org

The Fair Trade Federation is an association of Fair Trade wholesalers, retailers, and producers in the U.S. FTF links low-income producers with consumer markets and educates consumers about the importance of purchasing fairly traded products.

Fair Trade Resource Network (FTRN)

www.fairtraderesource.org

The Fair Trade Resource Network's goal is to raise consumer awareness about improving people's lives through Fair Trade alternatives by:

1. Gathering and compiling research and data about Fair Trade
2. Providing information about Fair Trade to the public, the media and Fair Trade advocates
3. Galvanizing Fair Trade organizations and individuals seeking to get involved

FTRN's website has an extensive list of Fair Trade materials.

Oxfam America

www.oxfamamerica.org

Oxfam America is dedicated to creating lasting solutions to hunger, poverty, and social injustice through long-term partnerships with impoverished communities around the world. Oxfam's web site contains information on the Fair Trade Coffee Campaign, including profiles on coffee-growing cooperatives and information for activists.