

Why the Fairtrade Mark is important (but isn't everything)

**August 08, 2017 - Liz May, Policy and Advocacy Director
at Traidcraft Exchange**

Campaigners, parliamentarians and journalists around the country spontaneously leapt into action in response to Sainsbury's recent announcement that they were 'piloting' their own 'Fairly Traded' standard and dropping the well-known and well-respected Fairtrade Mark from their own-label tea.

In a matter of weeks an [online change.org petition](https://www.change.org/p/fairtrade-mark-from-sainsbury) topped 90,000 signatures. Years of dedicated campaigning in communities around the country have meant that the Fairtrade label provokes fierce loyalty.

My Facebook page was full of requests to sign the petition from friends I didn't know to be interested or political in any way. And this is the beauty, and perhaps also the Achilles heel, of the Fairtrade Mark. It provides a straightforward route for consumers who want reassurance that people have not been exploited for the sake of their tea or coffee. It is so simple that my 5-year-old can spot the Fairtrade Mark on a supermarket shelf and pester me to buy her the product (usually chocolate!). But the understanding is often quite shallow. And sometimes there is a defence of the label for its own sake without a real understanding of both its value and its limitations.

Traidcraft has long been active in the wider fair trade movement (or alternative trading movement as it used to be called). As part of this we helped to set up the Fairtrade scheme in the UK, including the standards, the label and the certifier (the Fairtrade Foundation).

We did this because we knew that our own purchasing as Traidcraft plc is clearly no more than a drop in the ocean of mainstream trade that keeps communities in poverty around the world. Our analysis is that **injustice in trade is enabled by the huge imbalance in power that exists between global brands and retailers and their suppliers**. One important way of tackling this (and not the only way by any means) was to set up an independent certification scheme, developed with input from the producers themselves, and where they had a say in the governance.

The system was deliberately designed as independent 'go between' to check that both parties keep their side of the bargain – that the farmers are democratically organised and that workers are paid fairly, and that the buyers pay a fair price, pay on time and also pay a social premium. **The system developed an important principle of producer ownership**, so that producers have a seat at the decision-making table - they decide what the standards are, how they are monitored and reviewed and where the minimum price is set. They also crucially decide how they spend the premium that they earn. These ingredients of independence and producer governance are critical counterweights that enable big companies, that wouldn't ordinarily choose to operate in this way, to cede some power and participate in more equitable trading relationships.

Traidcraft completely supports these principles. We don't expect our customers just to 'trust us' but instead we participate in the Fairtrade system and also the [World Fair Trade Organisation guarantee system](#).

We subscribe to this definition of Fair Trade agreed by the whole movement back in 2001:

Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

The real problem with what Sainsbury's is proposing with its 'Fairly Traded' tea pilot (and for that matter Mondelez's 'Cocoa Life' scheme) is that **the standards are not independent and producers have no say in the governance**. Instead the companies themselves control and run the schemes. They retain all the power and call the shots. And Sainsbury's insistence on controlling how farmers spend their premium runs directly counter to the principle of respect, central to Fair Trade. There is nothing to stop Sainsbury's over time quietly changing the requirement to pay the Fairtrade minimum price. And there would be nothing that we or the farmers involved could do about it – not if they want to retain Sainsbury's business. And this potential for abuse of power is the exact opposite of what Fair Trade is about. There may be some merits to aspects of what Sainsbury's are proposing, for example guaranteeing to buy a certain volume for three years, but **to call the scheme 'Fairly Traded' is downright misleading**.

And this is why Traidcraft will campaign to defend the Fairtrade Mark and will support and celebrate those committed to it. We're also delighted to see other supermarkets, including the Co-op and Waitrose, extending their Fairtrade labelled-product range.

But we also need to remind ourselves that the Fairtrade Mark was only ever designed as a small part of the solution. The scheme still only applies to a handful of products and there continue to be systematic abuses in supply chains globally which need to be challenged in a variety of ways. That is why Traidcraft Exchange campaigners have called for companies to be held to account for abuses; it is why we campaigned for a supermarkets watchdog to tackle unfair buying practices, and why we continue to support producers and workers to organise and strengthen their voice in supply chains around the world.

Traidcraft remains committed to putting the principles of Fair Trade into commercial practice - you can [discover our new range online](#). But we'll also continue to [challenge injustice in mainstream trade and business](#), and to [work with people who are exploited in supply chains to help them get a better deal](#). Please support us.