

FIFTY YEARS OF FAIR TRADE
A brief history of the FAIR TRADE movement
December 2003

Fair Trade today

The Fair Trade movement today is a global movement. Over a million small-scale producers and workers are organized in as many as 3,000 grassroots organizations and their umbrella structures in over 50 countries in the South. Their products are sold in thousands of World-shops or Fair Trade shops, supermarkets and many other sales points in the North and, increasingly, in sales outlets in the Southern hemisphere. The movement is engaged in debates with political decision-makers in the European institutions and international fora on making international trade fairer. And Fair Trade has made mainstream business more aware of its social and environmental responsibility. In short: Fair Trade is becoming increasingly successful.

Where did it all begin?

There are many stories about the history of Fair Trade.

Some people say that the Americans were first with Ten Thousand Villages (formerly Self Help Crafts) who began buying needlework from Puerto Rico in 1946, and SERRV who began to trade with poor communities in the South in the late 1940s. The first formal "Fair Trade" shop which sold these and other items opened in 1958 in the USA.

The earliest traces of Fair Trade in Europe date from the late 1950s when Oxfam GB started to sell crafts made by Chinese refugees in Oxfam shops. In 1964 it created the first Fair Trade Organization. Parallel initiatives were taking place in the Netherlands and in 1967 the importing organization, Fair Trade Organisatie, was established.

At the same time, Dutch third world groups began to sell cane sugar with the message "by buying cane sugar you give people in poor countries a place in the sun of prosperity". These groups went on to sell handicrafts from the South, and in 1969 the first "Third World Shop" opened. World Shops (or Fair Trade shops as they are called in other parts in the world) have played a crucial role in the Fair Trade movement. They constitute not only points of sales but are also very active in campaigning and awareness-raising.

During the 1960s and 1970s too, Non-Governmental Organizations (NGOs) and socially motivated individuals in many countries in Asia, Africa and Latin America perceived the need for fair marketing organizations which would provide advice, assistance and support to disadvantaged producers. Many such Southern Fair Trade Organizations were established and links were made with the new Fair

Trade organizations in the North. These relationships were based on partnership, dialogue, transparency and respect. The goal was greater equity in international trade.

Parallel to this citizens movement, the developing countries were addressing international political fora such as the second UNCTAD conference (United Nations Conference on Trade and Development) in Delhi in 1968, to communicate the message "Trade not Aid". This approach put the emphasis on the establishment of equitable trade relations with the South, instead of seeing the North appropriate all the benefits and only returning a small part of these benefits in the form of development aid.

The growth of Fair Trade (or alternative trade as it was called in the early days) from the late 60s onwards has been associated primarily with development trade. It grew as a response to poverty and sometimes disaster in the South and focused on the marketing of craft products. Its founders were often the large development and sometimes religious agencies in European countries. These NGOs, working with their counterparts in countries in the South, assisted to establish Southern Fair Trade Organizations that organize producers and production, provide social services to producers, and export to the North. Alongside the development trade there was also a branch of solidarity trade. Organizations were set up to import goods from progressive countries in the South that were both politically and economically marginalised.

Crafts and food

At the beginning, Fair Trade Organizations traded mostly with handicrafts producers, mainly because of their contacts with missionaries. Often, crafts provide "supplementary income" to families; they are of crucial importance to households headed by women who have limited employment opportunities. Most of the Northern Fair Trade Organizations focused on buying these crafts and sold them through World Shops. The market for crafts through these World shops was wide open and for many Fair Trade Organizations sales grew and grew!

In 1973, Fair Trade Organisatie in the Netherlands, imported the first "fairly traded" coffee from cooperatives of small farmers in Guatemala. Now, almost 30 years later, Fair coffee has become a concept. Meanwhile hundreds of thousands of coffee farmers have benefited from Fair Trade in coffee. And in Europe more and more consumers drink fair coffee. Right now between 25 to 50 % of turnover of Northern Fair Trade Organizations comes from this product.

After coffee, the food range was expanded and it now includes products like tea, cocoa, sugar, tea, wine, fruit juices, nuts, spices, rice, etc. Food products enable Fair Trade Organizations to open new market channels, such as institutional market, supermarkets, bio shops.

Market access and Fair Trade labelling

In the 1980s, a new way of reaching the broad public was developed. A priest working with smallholder coffee farmers in Mexico and a collaborator of a Dutch church-based NGO conceived the idea of a Fair Trade label. Products bought, traded and sold respecting Fair Trade conditions would qualify for a label that would make them stand out among ordinary products on store shelves, and would allow any company to get involved in Fair Trade. In 1988, the “Max Havelaar” label was established in The Netherlands. The concept caught on: within a year, coffee with the label had a market share of almost three percent.

In the ensuing years, similar non-profit Fair Trade labelling organizations were set up in other European countries and in North America. In 1997, the worldwide association, Fairtrade Labelling International, was created. FLO is now responsible for setting international Fairtrade standards, for certifying production and auditing trade according to these standards and for the labelling of products. The range of labelled products, which now counts seven, will soon be expanded.

Fair Trade labelling indeed has helped Fair Trade to go into mainstream business. Currently, over two-thirds of Fair Trade products, are sold by mainstream catering and retailing.

Parallel to the development of the labelling for products, IFAT has developed a monitoring system for Fair Trade Organizations, which should strengthen the credibility of these organizations towards political decision-makers, mainstream business and consumers. The IFAT Fair Trade Organization Mark will be launched in January 2004. It is available to IFAT members that meet the requirements of the IFAT standards and monitoring system and identifies them as registered Fair Trade Organizations. IFAT is working with FLO to find a way to provide an “on product” Mark for handcrafts of all kinds.

Awareness raising, campaigning and advocacy

From the beginning, the Fair Trade movement aimed at raising awareness of consumers on the problems, caused by conventional trade and at introducing changes to its rules. The sale of products always went alongside with information on the production, producers and their conditions of living. It has become the role of World / Fair Trade Shops to mobilise consumers to participate in campaigning activities for more global justice.

The first European World Shops conference took place in 1984. This conference set the beginning of close cooperation between volunteers working in World Shops from all over Europe. The Network of European World Shops (NEWS!) was formally established in 1994 and represents approximately 3.000 World Shops in 15 European countries. NEWS! coordinates European campaigning

activities and stimulates the exchange of information and experiences about development of sales and awareness raising work.

In 1996, NEWS! established the European World Shops Day as a Europe wide day of campaign on a particular issue, often with a goal at the European level. This initiative has been taken up by IFAT, which brought it to a worldwide level. The first World Fair Trade Day, which involves the worldwide Fair Trade movement, was celebrated on May 4, 2002.

In the course of the years, the Fair Trade movement has become more professional in its awareness-raising and advocacy work. It produces well researched documents, attractive campaign materials and public events. It has also benefited from the establishment of European structures which help to harmonize and centralise its campaigning and advocacy work. An important tool was the establishment of the EFTA Advocacy and Campaigns office in Brussels, which focuses on influencing the (European) policy-makers. It is supported by the whole movement, represented in FLO, IFAT, NEWS and EFTA itself. Soon this office will become an office, managed and funded by all four networks.

Some examples of achievements in the area of political lobbying are: the adoption of resolutions on Fair Trade by the European Parliament (in 1994 and 1998), a Communication on Fair Trade by the Commission (1999), mention of Fair Trade in the Cotonou Agreement (2000).

Networking

From the mid 70s, the Fair Trade Organizations worldwide began to meet informally every couple of years in conference. By the mid 80s there was a desire to come together more formally and the end of the decade saw the foundation of EFTA (the European Fair Trade Association – in 1987) and IFAT (the International Association for Fair Trade – in 1989). They are two very different types of organization: EFTA an association of the 11 largest importing organisations in Europe; IFAT a global network of 250 organizations (and growing!) aiming to improve the livelihoods of disadvantaged people through trade, and providing a forum for the exchange of information and ideas.

Networking between Fair Trade Organizations is crucial to its success. All over the world, networks have been established, such as the Asia Fair Trade Forum, Ecota Fair Trade Forum in Bangladesh, Fair Trade Group Nepal, Associated Partners for Fairer Trade Philippines, Fair Trade Forum India, Kenya Federation for Alternative Trade (KEFAT), Coordinadora in Latin America, etc. .FLO, IFAT, NEWS! and EFTA started to meet in 1998 and, when they work together, are known by their acronym, FINE. The aim of FINE is to enable these networks and their members to cooperate on important areas of work, such as advocacy and campaigning, standards and monitoring of Fair Trade.

Concluding

During its history of over 50 years, Fair Trade has developed into a widespread movement with recognition on a political and mainstream business level. But there are still a lot of challenges ahead of us, which we need to take up together.

*This version of the History of Fair Trade was prepared on behalf of IFAT by Marlike Kocken, Manager of EFTA, with the input and advice of a number of Fair Trade "pioneers".
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