

Fair Trade and Development

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Trade Aid is a development organisation that was set up to eliminate poverty using fair trade as a tool. We are pro-trade; it is the means by which we help our partners. However it is not trade in the conventional sense; when we consider a position on trade we consider it more accurately as a position on people: on social, economic and environmental justice and sustainability. Thirty years of practical experience tells us that trade has an important part to play in reducing poverty throughout the world. We believe that Fair Trade – with its voluntary social standards – has a special role to play in improving the livelihoods and well-being of marginalized producers and workers. We believe that free trade can only be fair if the rules that govern it take into account the special needs of poor countries and their people and ensure that all people benefit equally.

Ethics

Our producer partners do not ask for charity; they want a relationship in which their heritage of expertise accumulated over generations is valued because it produces a better product. The idea of sharing the benefits of trade is a valid business case.

This month the Latin America regional meeting of the International Federation of Alternative Trade produced the following statement:

We work to reduce poverty through trade based solidarity. We act as partners working in solidarity with small producers in rural and urban settings. We are the traders of the future.

We are part of a worldwide fair trade network whose goal is to revive the ancient activity of trade in which benefits flow to everyone involved, that is, to democratize the process and benefits of trade. Trade based on solidarity is not aimed exclusively at generating profit, but, rather, is based on the principal of mutual benefit.

There is growing consumer demand worldwide for products that have been fairly or ethically traded. Consumers are looking beyond branding to company values and behaviour. This is a trend that will influence international trade in the future. Fair Trade is a model that conventional trade can look to.

Fair Trade Model

So, what is different about fair trade?

Fair Trade is not simply about things, it is about social and power relationships, about human rights and justice. Trade on its own is an exploitative relationship. You buy cheap and sell expensive. A fair trade relationship is one of partnership that takes account of needs and aspirations and encourages sustainable development and self reliance. Importantly, fair trade is characterized by self determination, it is neither prescriptive nor manipulative. There must be an acceptance of the right for people to make their own choices. Fair Trade is a development process that puts people first, it looks beyond the straight commercial aspect and seeks a willingness to share the riches of the world more equitably.

Fair Trade organisations are united by one core message and four basic policy demands:

We are campaigning for trade justice – not free trade – with the rules weighted to benefit poor people and the planet.

World leaders must:

- Stop forcing poor countries to open their markets; and champion their right to manage their own economies
- Regulate big business and their investments to ensure people and the environment come before profits
- Stop rich countries promoting the interests of big business through trade interventions that harm the poor and the environment.
- Ensure trade policy is made in a fair, transparent and democratic way.

It is time to rebuild a new more responsible world economy founded on the principles of sustainable development and placing the human person at the heart of its preoccupation. This rebuilding must be done peacefully, through dialogue. If based on this premise then trade liberalization has the potential to lead to the elimination of poverty.

I would like to finish with a quote from Paul Myers, often referred to as the 'father' of fair trade:

You cannot have peace on a long term basis in a family, a community, in a nation if you have people who do not have an adequate income to feed their families, to shelter them, to give them hope.