

Co-operatives and fair-trade

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COPAC Open Forum
Berlin – January 2005



Lead Questions

- ◆ Concepts, common grounds, divides
- ◆ Involvement of co-ops in practice
- ◆ Synergy and mutual benefits
- ◆ Research and policy



Concept “fair-trade”

- ◆ Origin
- ◆ Definition
- ◆ Goals
- ◆ Representative bodies
- ◆ Criteria
- ◆ Related concepts
- ◆ Significance



Roots

- ◆ From: alternative trade organisations (e.g. world shops)
- ◆ Now: labelling organisations & regular retail distribution



Definition of fair-trade

A trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade.

It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers – especially in the South.



Goals of fair-trade

- ◆ Improve livelihoods of producers
- ◆ Promote development opportunities
- ◆ Raise awareness
- ◆ Partnership in trade
- ◆ Campaigning for changes
- ◆ Human rights



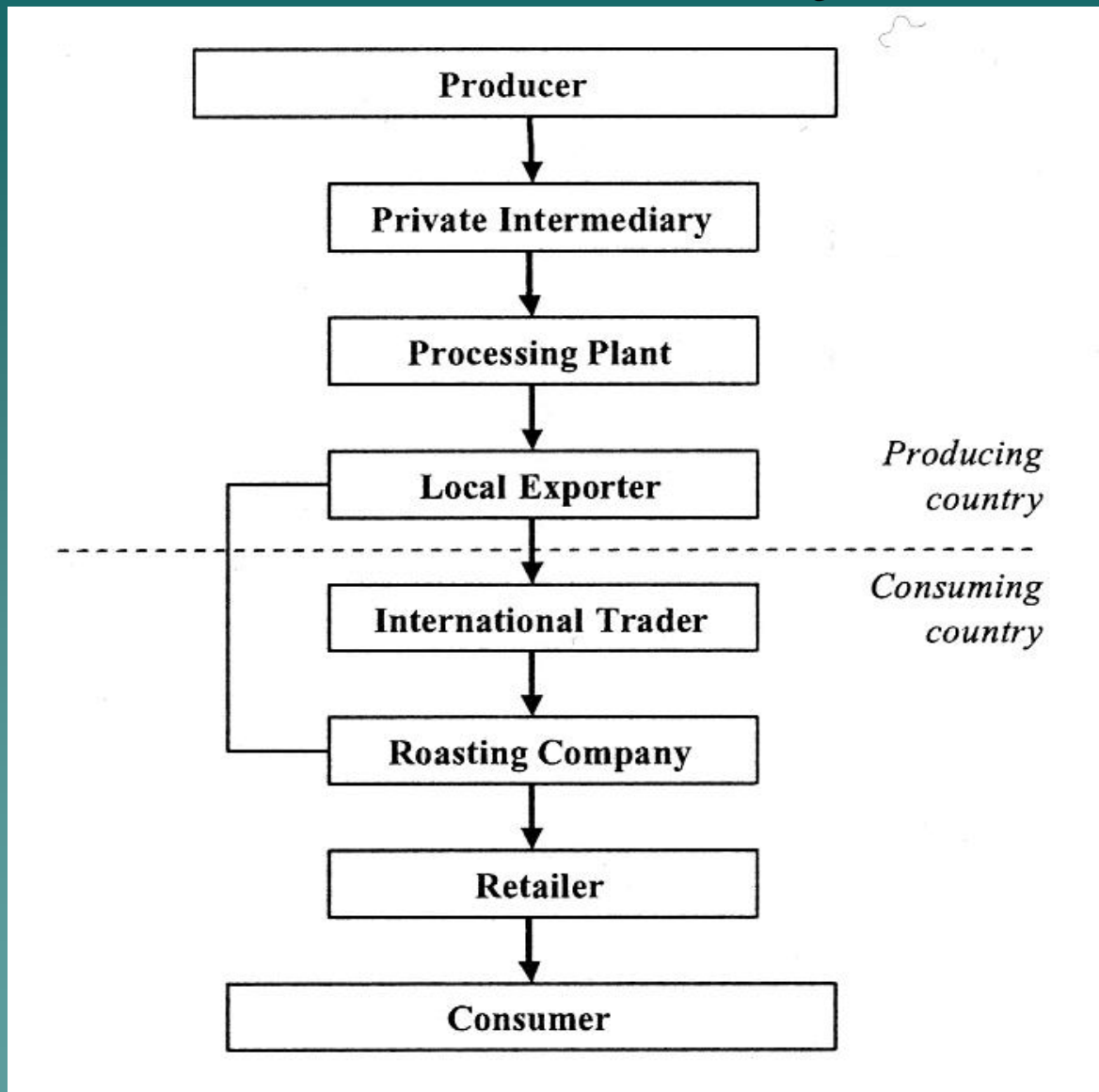
Representative bodies in fair-trade

- ◆ FLO (incl Max Hav.; Transfair USA)
- ◆ IFAT
- ◆ NEWS
- ◆ EFTA

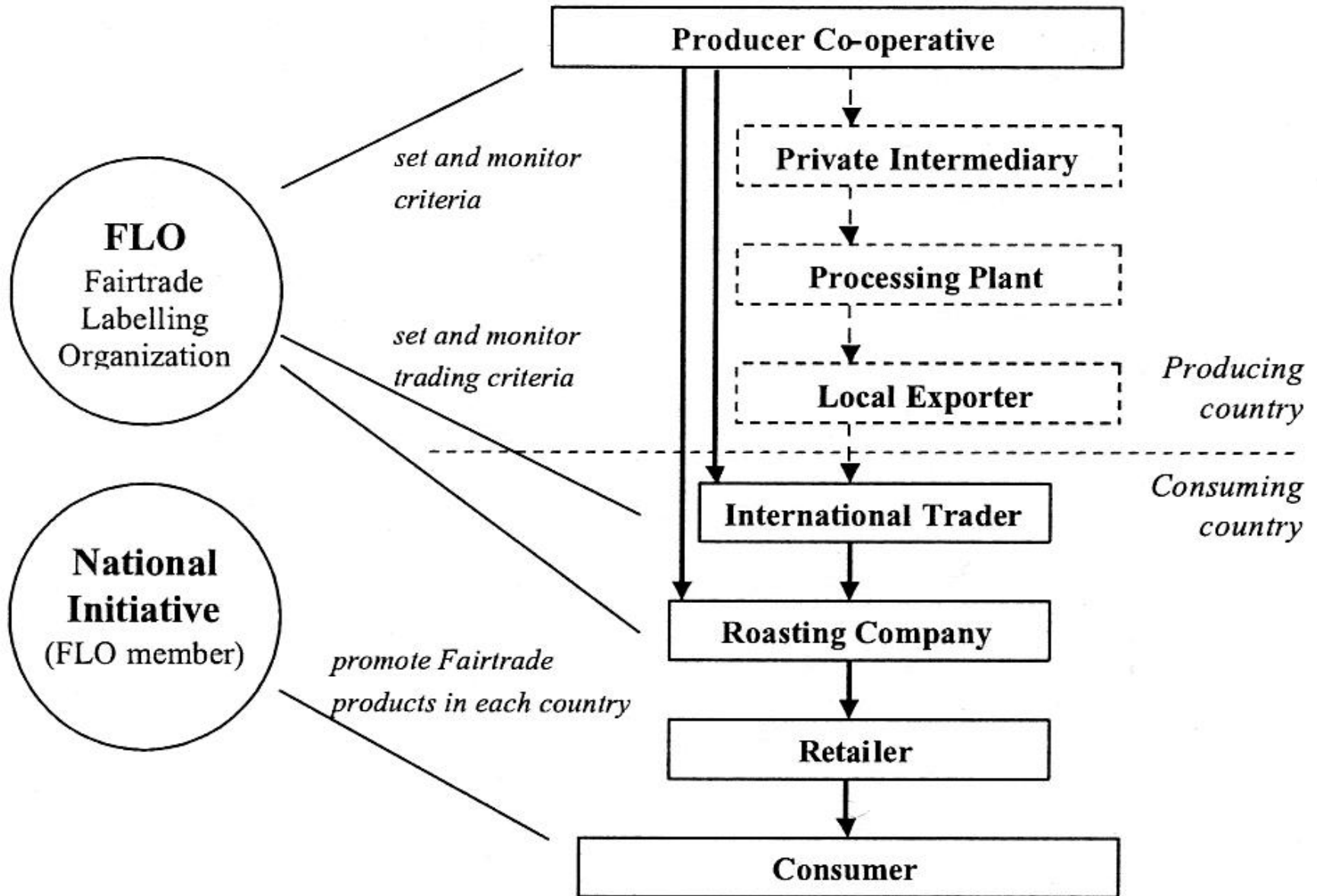
- ◆ FTF
- ◆ FTA



Coffee commodity chain



Labelling system & commodity chain



Criteria of fair-trade (FLO)

- ◆ Decent wages (price + premium)
- ◆ Housing, health & safety
- ◆ Right to join trade unions
- ◆ No child or forced labour
- ◆ Environmental sustainability
- ◆ Democratic structure



Related concepts

- ◆ Overall term: equitable trade?
- ◆ Ethical trade – corporate social responsibility – cause related marketing
 - International labour standards
 - Carrefour, Sara Lee, Philip Morris
 - Minga



Related concepts (2)

◆ Alternative trade

- World shops
- Café direct
- Day chocolate company
- World cafés and coffee shops
- Roasters and retailers (Human Bean, Just Us, Café Campesino, One Village)



Ethical Trade



Ethical Trade

Alternative Trade



Ethical Trade

Alternative Trade

Fair Trade



Significance of fair-trade

- ◆ 500 mio Euro (FLO + IFAT)
- ◆ 0.01% of all goods exchanged
- ◆ Number of people involved
 - + 100.000 volunteers in Europe
 - 400 producer organisations
 - 800.000 producer families
- ◆ Indirect effects
 - *pro-competitive effect
 - *awareness raising



Where do co-operatives come in?

January 21st 2005

COPAC Open Forum Meeting



Co-operatives involvement in practice

- ◆ Many producer co-operatives in the South (often North-induced)
- ◆ New fair-trade co-operatives in the North
- ◆ Co-operative movement: distribution network
- ◆ Also: technical assistance and access to credit (Rabo; Socodevi)



Co-operatives involvement in the North: examples

- ◆ Cooperative coffees (US): import of fair-trade coffee
- ◆ Equal exchange (US), La Siembra (Can), (coop-to-coop)
- ◆ Out-of-this World (UK)
- ◆ Co-operative Group (UK), Seikatsu (Jap): promotion & campaigning
- ◆ Legacoop (Ita), Migros (Sui) a.o.: large retail



Ethical Trade

Alternative Trade

Fair Trade

Cooperative Trade



Co-op and fair-trade: common features

- ◆ Participative organisations
- ◆ Price should reflect equitable income
- ◆ Other spheres of life
- ◆ Double-targeting: business and solidarity



Devides: 1. agencies

CO-OPERATIVES

- ◆ Primarily: agents
- ◆ Legal personnality
- ◆ Different types of co-ops
- ◆ Gathered into an established social movement

FAIR-TRADE

- ◆ Primarily: process
- ◆ All sorts of societies
- ◆ Outlets, NGOs, certifiers, Co-ops and associations
- ◆ Network and new social movement



Devides: 2. drive and rationale

CO-OPERATIVES

- ◆ Producer-originated
- ◆ Target group: producer and consumers, N + S
- ◆ Means to an end
- ◆ Justice by ownership

FAIR-TRADE

- ◆ Consumer-originated
- ◆ Target group: producers in the S
- ◆ An end in itself
- ◆ Ownership by justice



Devides: 3. organisation culture and values

CO-OPERATIVES

- ◆ Market forces with self-help
- ◆ Good management
- ◆ Growth

- ◆ Private interests acknowledged

FAIR-TRADE

- ◆ Support logic
- ◆ Commitment
- ◆ Human development
- ◆ Public interests



Devides: 4. economic activities

CO-OPERATIVES

- ◆ All types of activities, goods and services
- ◆ North-South link still margin for progress

FAIR-TRADE

- ◆ Limited range of goods
- ◆ North-South link = key (reason for existence)



Synergy? bottlenecks

- ◆ 1. Organisational culture
- ◆ 2. No meeting point



Synergy: “fair deal” (1)

Fair-trade could mean for co-ops:

- ◆ Fair trade versus donor grant: efficiency of co-operatives in the South?
- ◆ Ethical added value for co-operatives in the North



Synergy: “fair deal” (2)

Co-ops could mean for fair-trade:

- ◆ South-South networking between fair-trade producers' co-operatives
- ◆ Mainstream fair-trade in the North
- ◆ Widen the range of fair-trade products and services



Research groups

- ◆ Co-operative college, Manchester
- ◆ FT Research Group, Colorado State
- ◆ CRISES, Uty. of Quebec
- ◆ Social Economy Centre, Uty. Liege
- ◆ HIVA, Leuven
- ◆ Chr. Michelsen Institute, Bergen



Policy recommendations (1)

1. Fill up the information gaps, e.g.

- ◆ Co-op impact in countries with strong/weak co-op retail sector
- ◆ Methods to overcome divides in organisation culture & values
- ◆ Potential of co-ops for ethicizing effect & reaching a larger public?



Policy recommendations (2)

2. Create institutional bridges

3. Make a joint agenda

4. The future is now: start regional co-op networking in the South

