Does the EU support Fair Trade?

The European Parliament issued a Resolution on Fair Trade and Development in 2006 endorsing the Fair Trade principles, as defined by the Fair Trade movement, and asking the European Commission and the EU Member States to support Fair Trade in a wide number of policy areas. Two years later the European Commission issued a follow-up Communication on Fair Trade (5 May 2009). The EC Communication recognizes Fair Trade’s values and references the principles defined by the Fair Trade movement but is not, by far, a complete follow-up to the expectations laid down by the 2006 EP Resolution.

The second half of 2009 is a year of changes at EU level. A new European Parliament has started a new legislative term (2009-2014) and a new College of Commissioners will soon take office. In this context, the main Fair Trade networks (Fairtrade Labelling Organizations International FLO, World Fair Trade Organisation WFTO, Network of European Worldshops NEWS! and European Fair Trade Association EFTA) decided to present to the EU Institutions their general demands for the period 2009-2014.

The Fair Trade networks call on the Members of the European Parliament to:

1. Support Fair Trade as a unique tool to link producers in the South and consumers in the EU

The EU should match the support the EU citizens are showing to Fair Trade with their purchasing decisions. The EU should seize the chance to support Fair Trade as a tool to empower those most marginalized by the current rules and practices of International trade and, by doing so, contributing to achieving its own EU sustainable development goals.

The two complementary Fair Trade systems (the integrated supply chain route -Fair Trade organizations- and the product labeling -Fairtrade label-) have demonstrated to improve the livelihoods of Fair Trade producers.

Fair Trade is not about charity, it is about empowering people to work their way out of poverty. However, in order to get there, it is important that the EU continues financially supporting Fair Trade projects (for producers in the South and for consumer awareness in the EU).

Despite the recent proliferation of ethical & sustainability schemes, Fair Trade continues being the only system that sets out to tackle poverty and empower producers in developing countries. Initiatives to water down what is meant by Fair Trade should be avoided.

But is not only at EU level that the EU public authorities should support Fair Trade. Regional and local authorities are already engaged in supporting Fair Trade and the EU should provide the tools for cooperation between these authorities to take place and exchange experiences with other regional and local authorities in the EU.

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Fair Trade cannot achieve its mission unless (public and private) consumers are made aware of the added-value of Fair Trade products as a tool available to public or private consumers that support sustainable development. EU should be encouraged to remove the obstacles that prevent such informed purchasing decisions.

There is a lot that the European Union could do. A first step is ensuring that the EU legislative framework allows public authorities across the European Union to give preference to Fair Trade products in their public procurement and supports Europe-wide cooperation between regional and local authorities in the field of Fair Trade.

As laid down by the Cotonou Agreement and specifically requested by the EP, MEPs should request the EC to earmark more EU financial resources specifically earmarked to support Fair Trade in its budget 2010 on-wards (list of areas where funding would be most needed available from the Fair Trade Advocacy Office).

Last but not least, it is important that the EU does not fall prey to protectionist trends and facilitates the market access of sustainably produced products. A narrow understanding of environmental sustainability should not be used as an excuse to discriminate against products from the South.

What MEPs can do

- MEPs should ensure that the guidance given by the European Commission on the implementation of the EU Public Procurement Directives is not limited to a restrictive interpretation of the intention of the European Parliament to allow for social and environmental considerations to be included in public procurement, such as Fair Trade.

- The EP should continue being the leading EU Institution in support of Fair Trade. While the EP administration did introduce Fair Trade products in the EP cafeteria / canteens / meetings, Fair Trade products are no longer significantly visible. MEPs should request to the EP Administration a revised internal EP Fair Trade purchasing policy. The selection criteria for EP tendering contracts should systematically include Fair Trade criteria.

- Given the unequal level of information on Fair Trade across the EU, MEPs should request the EC takes the responsibility to ensure a level-playing field and encourage the EC to set up an EU-wide consumer awareness campaign on the specific situation of marginalised producers and workers in the South and why Fair Trade is a tool to improve their livelihoods.

- The European Commission and EU Member States should revise their Aid for Trade policies so as to become truly pro-poor. This means that Aid for Trade should benefit the poor sections of society proportionately more than the well-off. As a first step, MEPs should require that the EC annual review of the implementation of the EU Joint Strategy includes an assessment of how the spent EU Aid for Trade has effectively proven to be pro-poor.

- MEPs should oppose EU agricultural legislation and Common Agricultural Policy review (CAP) proposals that could be detrimental to marginalised producers and poor workers in the South. In particularly, MEPs should require to base its proposals on a comprehensive understand of sustainable development (social, environmental, economic) as opposed to a narrow understanding of environmental impacts of products from the South.
3. Make International trade fairer by promoting that the economic, social and environmental principles of Fair Trade become the normal conditions of production and trade

**Fair Trade can play a significant role** in the achievement of the Millennium Development Goals (2015) as a successful alternative trading system to the conventional International trade and practices. Fair Trade aims at the economic, social and environmental principles of Fair Trade becoming the normal conditions of production and trade.

The European Union should lead the way internationally by ensuring that its own trade policy (Global Europe strategy, bilateral & multilateral trade negotiations positions & decision-making process) addresses the specific needs of marginalised producers and workers in the South.

Last but not least, in the context of climate change, it will be important that the EC takes the lead in ensuring that International Conventions are agreed and implemented in a way that adequately compensation & adaptation mechanisms adequately support marginalised producers and workers in the South. They are expected to be the ones suffering most from the impacts of climate change, while at the same time, they are amongst those most engaged in sustainable agriculture.

While the above demands are ambitious and long-term, the Fair Trade Organizations remains committed to continue engaging with continues to civil society organizations, charities and the EU Institutions to work towards this goal. Fair Trade producers know from experience of the “unfairnesses” in the global supply chains. We hope to be able to bring that experience to the fore in EU discussions and, by showing such clear examples, prompting wider change at policy level.

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**What MEPs can do**

MEPs should ask the EC to revise its “Global Europe” strategy so as to:
- promote sustainable development and not undermine the efforts to become competitive of those marginalized by conventional International trade rules and practices in the world markets.
- encourage high environmental and social standards in International trade
- acknowledge the role that pro-poor private standards can play in achieving that goal
- ensure a transparent trade negotiation process with adequate involvement of civil society, in particular representatives from marginalized producers and workers in the South.

- As requested by the EP 2006 Resolution, the EC should be reminded to "carry out a study to examine how Fair Trade could develop into a model for sustainable trade policy which would be capable of stimulating balanced North-South trade, identify obstacles to trade which impact most seriously on world poor." This is all the more relevant taking into account the recent financial, economic and food crisis.

- As requested by the EP 2006 Resolution, MEPs should remind the EC to conduct its trade policy in a way that the volatility of commodity prices and the impacts on producers in the South is addressed. The EC should be asked to inform the European Parliament how it has implemented so far paragraph 63 of the Cotonou Agreement and measures to stabilise and improve market conditions for primary products (GATT Article paragraph 2a) with the goal to achieve "stable, equitable and remunerative prices" as foreseen by GATT art 36 and 38.

- In the context of the implementation of the COP15 Copenhagen climate change (expected) agreement, MEPs should ensure that the compensation & adaptation mechanisms adequately support marginalised producers and workers in the South. They are expected to be the ones suffering most from the impacts of climate change, while at the same time; they are amongst those often engaged in sustainable agro-forestry methods.

- MEPs to ensure that the European Parliament implements its trade policy competences in a more transparent way than the EC does. In particular, MEPs should encourage that a right mechanism is put in place in the EP to ensure full transparency and involvement with different stakeholders to be affected by the EU trade policy, including marginalised producers and workers in the South. This is all the more relevant if the Lisbon Treaty eventually enters into force, with the increased trade policy overview competences it will imply for the EP.
Members of the European Parliament are kindly invited to join the European Parliament informal Fair Trade Working Group, composed of MEPs from various Groups and EU Member States.

More information:

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The Fair Trade Advocacy Office

The Fair Trade Advocacy Office speaks out for Fair Trade and trade justice with the aim to improve trading conditions for the benefit of small and marginalised producers and poor workers in developing countries.

Based in Brussels, the office coordinates the advocacy activities of the four main Fair Trade Networks: Fairtrade Labelling Organizations International FLO, World Fair Trade Organisation WFTO, Network of European Worldshops NEWS! and European Fair Trade Association EFTA.

These four networks bring together over 1.5 million Fair Trade producers from more than 60 countries, 20 labelling initiatives, hundreds of specialized Fair Trade importers, 3000 worldshops and more than 100,000 volunteers.