

■ Participants in Fair Trade

The participating partners in Fair Trade are:

Producers (farmers, agricultural labourers, craftsmen/women, factory workers or their association; plantation owners and export organisations in economically disadvantaged regions particularly in the south)

Importers and support organisations (import and marketing enterprises or their Swiss and European alliances, processing enterprises, label organisations, NGOs which support Fair Trade and/or practice trading activities themselves)

Distributors (Fair Trade specialised shops, supermarkets, organic produce speciality shops, other small stores etc.)

Consumers.

Fair Trade is not merely a question of price; in essence it deals with the improvement of the working and living conditions of the people in economically disadvantaged regions particularly in the south. Compliance with the whole of Fair Trade principles is precondition to achieve this. Depending on the economic sector, Fair Trade needs to be complemented by other instruments of ethical business behaviour (code of conduct, standardised norms etc.). The relationship of Fair Trade towards these other instruments gradually needs to be differentiated and made concrete.

■ Explanations

The term «fair trade» is neither protected nor legally regulated. Over time different organisations have developed their own criteria which characterise Fair Trade. The Swiss Forum For Fair Trade (SFFT) has taken these criteria as a base for the elaboration of the following common principles. They are to be taken as an inventory of the status-quo, coherent with the Fair Trade-criteria of FLO, EFTA, NEWS and the EC.

These common principles of the SFFT were unanimously approved by the plenary session on 19 January 2001. For the signing organisations the principles represent the smallest common denominator, upon which they practice, actively promote and/or support Fair Trade. The common principles have no (restricting) effect on more far reaching criteria that some organisations might apply additionally.

Since Fair Trade is only one form of ethical business practice where other initiatives with similar objectives exist, a debate is needed about differences, common grounds, co-operation and perspectives.

The following principles correspond to today's practice – they are therefore not in a definite form. As a process they will be reformulated and adapted to new developments and new practices.

■ These principles are signed by the following institutions

Swiss Coalition of Development Organisations (Swissaid/Lenten Fund/Bread for All/Helvetas/Caritas), Arbeitskreis Tourismus und Entwicklung, Association romande des Magasins du Monde, Associazione Botthege del Mondo, Bread for all, Caritas, claro SA, Fondation le Balafon, gebana SA, Swiss Interchurch Aid HEKS, Oikocredit, TerrEspoir, Tiers-Monde Genève, Schweizer Arbeiterhilfswerk, STEP, Swissaid, WWF Panda SA

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Fair Trade Principles



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■ The goals of Fair Trade

Fair Trade strives for a more juste distribution of income generated by world-wide trade relationships. The working and living conditions of producers and workers in economically disadvantaged regions - particularly in the south- should be improved by creating market access for their products at fair conditions.

Fair Trade promotes sustainable development - meaning in particular social justice, economic development, protection of the environment and the preservation of cultural diversity - and as possible promotes trade within and between the countries in the south.

The social standards and environmental norms Fair Trade strives for, are in line with (or whenever possible go beyond) national laws and the conventions of the International Labour Organisation (ILO)*.

For Fair Trade the co-operation and co-responsibility of all actors within the trade chain is essential. Continuous information activities deepen the awareness for this aspect. It is an integral part of Fair Trade to make consumers more sensitive for a fairer distribution of the goods of this world. The credibility of Fair Trade is reached through independent controls.

* ILO-conventions:
Forced Labour (Nr.29)
Freedom of association (87)
Right to organize and collective bargaining (98)
Equal remuneration (100)
Abolition of forced labour (105)
Discrimination (111)
Minimum Age (138)
Occupational Safety and Health (155)
Home Work (177).

Principles of Fair Trade

Trade relationships

- In Fair Trade long-term and stable trading relationships between importers and producers as partners are fostered.
- The importers are in direct contact with the producers or their associations, respectively, and purchase the products as direct as possible from them or their export organisation.
- The production for the Fair Trade market should not endanger the production for self-supplied living.

These long-term, fair trade-relationships may contribute to a self-sustained development process for the local population.

Prices

- A cost-covering price assures the producers their economic existence.
- The decision about the use of the additional income through fair prices, premiums or additional payments, remains with the producers or workers, respectively.
- Pre-financing of production or favourable credits are given to the producers upon request.
- The pricing policy towards the producers is transparent.

Fair pricing contributes to guarantee the producers' existence and to enable a life in dignity .

Working conditions for wage-earners

- Enterprises with wage-earners (factories, plantations, processing operations etc.) have to meet social and health minimal standards which are in line with national laws and ILO-conventions*: right to freedom of organisation, right of collective bargaining, equal remuneration, prohibition of forced labour and abusive child labour.
- The enterprises must pay a living-wage to the wage-earners; there should be no exaggeration in working hours, and the work place must be appropriately and safely equipped (i.e. protective clothing, protection from health risks, lighting conditions, ventilation etc.)

All this should contribute to prevent discrimination for racial, ethnical, gender or religious reasons and to strengthen the position of the wage-earners in the enterprises. Fair Trade thus can play an exemplary function.

Products

- The products of Fair Trade are produced as far as possible under socially and ecologically sustainable conditions.
- The quality of the products corresponds to the demand in the consumer markets; the orientation along these standards allows the producers to develop the necessary market and trade know-how.
- Among the agricultural products, priority is given to the organically produced ones, since organic production comes closest to sustainable agriculture. Genetically modified products are excluded from Fair Trade.

A step-by-step conversion is being strived for towards ecological production and processing techniques and agricultural production methods, according to the standards of recognised certification and environmental organisations.

Control and information

- In Fair Trade the compliance with the criteria is regularly being monitored amongst all the actors along the trade chain. Internal and/or external controls are made, preferably in co-operation with representatives of the hired-workers, NGOs and/or trade-unions.
- Fair Trade maintains an open information policy, making information about the producers, suppliers, origin of products, production, management, finances and the results of the controls disposable towards producers and consumers.
- Continuous information and educational work is an important integral part for the support of Fair Trade and for the reinforcement of consumer responsibility.

The regular controls guarantee the credibility of Fair Trade. They further serve as monitoring to support the efforts of (principally the smallest) producers to deal with the demands of trade and to become more competent and professional. For wage-earners the controls also serve to improve their position as workers.

This document was unanimously approved by the plenary session of the Swiss Forum for Fair Trade on 19 January 2001.