**The Fair Trade movement and an overview of WFTO**

WFTO

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Dear Mayor Mr. Park Won Soon (Seoul Metropolitan City), dear representatives of WFTO-Asia members, Board members, fair trade promoters and advocates, distinguished guests, friends from Korea and ladies and gentlemen. WFTO-Asia President Chitra Bahadur has already stated how thankful we are to all the organisers for putting together this great conference.

Thank you for inviting me also to be here. It is a pleasure to be able to address all of you and to exchange some thoughts on Fair Trade and the WFTO.

Many have discussed the origins of Fair Trade. Most agree it dates back to at least about 60 years ago. I would like to go further and say that Fair Trade is a concept almost as ancient as society. When Humanity started to gather and live in communities, trade was done on the basis of the exchange of goods which were perceived to be of *equivalent value*: some flour for milk, a pair of shoes for 2 chickens, a cow for 3 sheep …well, I am no expert, perhaps a cow was a lot more valuable. But what matters is that, in our essence, we all want to be treated in a human way and be paid fairly.

The Fair Trade movement arose out of concerns that the economy and the market were failing to deliver benefits to (at least some sections of) the population. Concerns with ethics and fairness were clearly not the common case in a capitalist, ever globalising world, a world based namely on the accumulation of profit (if necessary, at the expense of the well-being of others). Today, as before, Fair Trade is one of the most powerful tools to move beyond the conventional (unfair) trade structures and practices…

Created in 1989, the WFTO was born out of the realisation that the different actors working towards the goal of improving living conditions for all, could not fight a global struggle by themselves. They had to unite. They had to talk to each other, build bridges, share experiences, learn together and find a common voice. 25 years later, WFTO is still a network, or *the* network, of Fair Trade Organisations that aims at providing the space for this exchange and learning. But, with time, new challenges and obstacles have appeared.

25 or even 60 years ago, only a few dared to call themselves fair traders, or as it was more common at the time, alternative traders. Today, it seems almost that there is a Fair trader in every street, in every corner. So, we cannot stop from wondering if these are all the same type, the same breed of Fair traders. And, disappointingly, we often find they are not. Too many are trying to free-ride on the reputation built throughout decades by the alternative traders, and they are doing so too often with a total disrespect for what that expression truly means to the movement.

Definitions are probably like photos: they only capture reality at a specific moment in time. Then reality evolves and moves on. Still back in 2009??, four international FT actors (I dare say, the most relevant then) came together and agreed that

*“Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade.”* They continued saying *“It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South”.*

*“Fair Trade organizations have a clear commitment to Fair Trade as the principal core of their mission. They, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”*

With others claiming to do FT but not adhering to the values behind this definition, it became crucial to clarify our identity as ‘true’ fair traders. WFTO is not a service-provider: we were not created to provide any single ‘specific’ service. But because WFTO is a membership organisation, we listen to our members and do our best to deliver the tools and services they need. Several years ago, when this problematic about ‘true FT’ started to become more evident, our members asked us to develop a system that would allow them to prove their FT identity. Without dwelling too long into a history that passed through different steps and testing phases, last year WFTO proudly presented to its members the new Guarantee System. After our 2013 AGM, in Rio de Janeiro, we began to implement this system to the wider WFTO membership. By end 2015, we expect that all WFTO members will have started their first GS cycle and will be well on their way (and many completely done) into becoming a ‘Guaranteed FT Organisation’.

The relevance and urgency for such a system was such, that I must ask you to allow me to spend some more minutes on this new Guarantee System.

What is this Guarantee System and what does it mean? The WFTO Guarantee System (GS) is a monitoring and verification system that was designed from the start to be clear, credible and affordable. In the Guarantee System, practices across the Fair Trade supply-chain are checked against the WFTO Fair Trade Standard, a set of compliance criteria based on the 10 Fair Trade Principles and international labour conventions (ILO, etc.).

The system is **clear** because, as any good system, it has well-defined steps and procedures, at the same time robust and flexible enough to adjust to our diverse membership. The WFTO Guarantee System was built on time-tested, globally-recognised monitoring tools, namely the Self-Assessment Report, Peer Visits and Monitoring Audits - the fundamental components of the Guarantee System. The System was designed to be relatively easy to understand, implement and integrate, so that compliance can become a natural result of doing business.

The GS also allows our members to validate their claims to be practicing Fair Trade. Consumers, public authorities, business partners and others can thus be assured that the Fair Trade promise of WFTO members is not only a claim but provable truth. The System proves the **credibility** of our members.

On the other hand, the Fair Trade Accountability Watch (FTAW) – a participative monitoring mechanism - allows anyone to report good and bad practices of WFTO members. If compliance issues are raised, an independent Committee looks into the matter and makes a recommendation on the case.

The entire Guarantee System was also designed to comply with internationally recognised criteria on best practices in monitoring systems. Once it has been implemented across our entire membership, the robustness of the Guarantee System will be confirmed by an independent third-party. Not only does the System deliver credibility about our members, the System itself will in time be proven reliable.

Unlike traditional certification processes, using the WFTO label on products has no licencing costs. It is a **free** label for all Guaranteed members. Even small producers should be able to afford the system and maintain their membership. By mixing external audits with peer visits and self-assessment exercises, the system keeps costs to a minimum, based on the risk factor of each member.

But the Guarantee System is much more than a set of procedures or a label. It is a learning tool for those who are committed to becoming better and better at what they do. The system delivers development value (such as product differentiation, increased competitiveness and efficiencies) to offset the producer’s investment in time and money. It is a business tool that delivers concrete results through learning and continuous improvement.

It is a tool to show that trade, when done is a respectful way, can bring positive change. And a tool that works. *Fair Trade is more than just trading: it proves that greater justice in world trade is possible. It highlights the need for change in the rules and practice of conventional trade and shows how a successful business can also put people first.*

An organization like WFTO – with close to 400 members, in more than 70 countries and members across the entire supply-chain from producers and exporters to importers, wholesalers and retailers, not to mention national networks and FT support organisations – *is* the home of committed Fair Traders. Even if our impact has not yet changed the entire world, our members have been changing people’s lives for years. “WFTO has a vision of a world in which trade structures and practices have been transformed to work in favour of the poor and promote sustainable development and justice.” Certainly, there is more to do; there are things we can do and must do better.

As a membership organisation, WFTO depends on its members and cannot exist without them. But precisely because we are a membership organisation, WFTO is much more than the simple sum of its members. A cliché, maybe, but nevertheless true.

In a world where change is an ever present factor – but not always a ‘democratic’ change that benefits also the most marginalised – it is crucial that WFTO continues to welcome and be the home of change-makers and social entrepreneurs who believe in trade as a tool for constructive change. WFTO’s mission is to enable producers to improve their livelihoods and communities through Fair Trade.  WFTO is the global network and advocate for Fair Trade.

Personally, I feel humble and proud of being part of it. Of being a small piece in the Fair Trade movement. I hope you all realise how far our personal choices can go and understand that we too – individually, as producers, buyers, retailers, as consumers and supporters of a world movement – can make a difference. I look forward to the discussions during the rest of this Conference. And to see our movement grow.

Let us hear and talk to each other. Share and learn. A good conference to all.