



Fair Trade as mission-led business models

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Problem 1: inequality rising, poverty entrenched & we're living beyond our planetary boundaries

Problem 2: mainstream business has a one-track mind

Solution 1: Alternative businesses models are on the rise

Solution 2: Fair Trade Enterprises are the pioneer of this idea

Problem 1: inequality rising, poverty entrenched & we're living beyond our planetary boundaries



Extreme inequality destabilises everything

More inequality = more crime and corruption

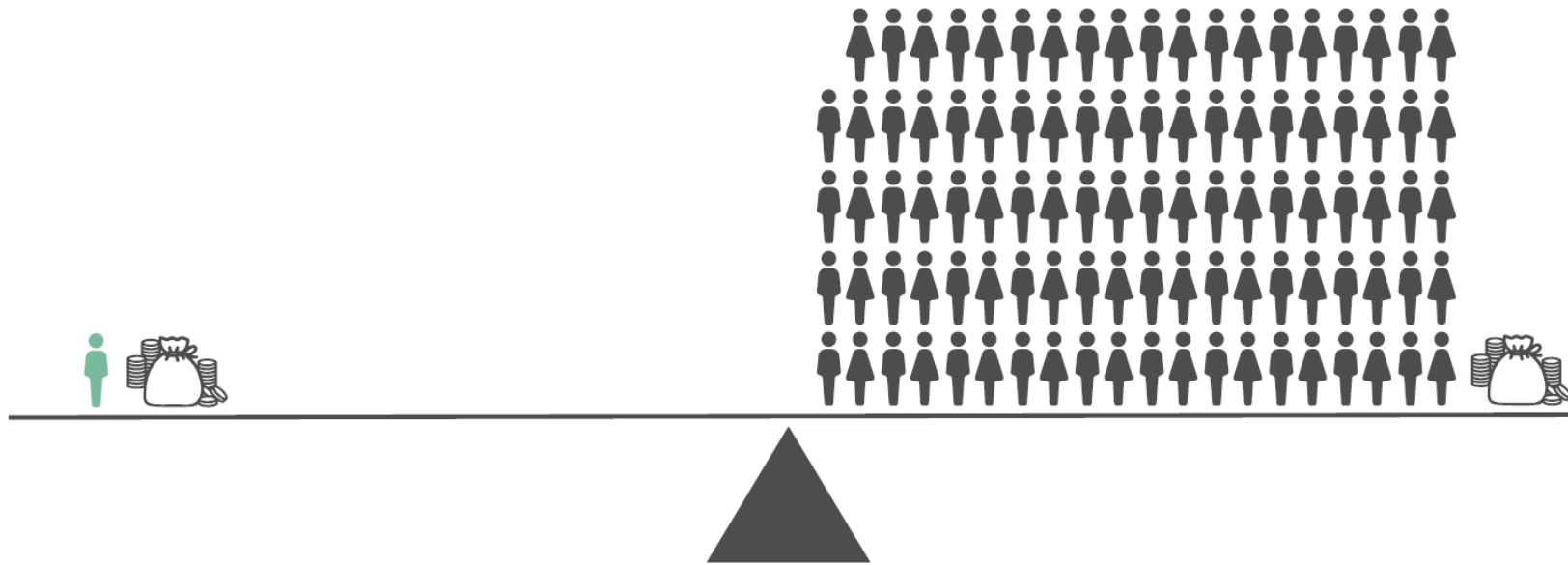
More inequality = shorter lives for rich and poor

More inequality = political and economic instability

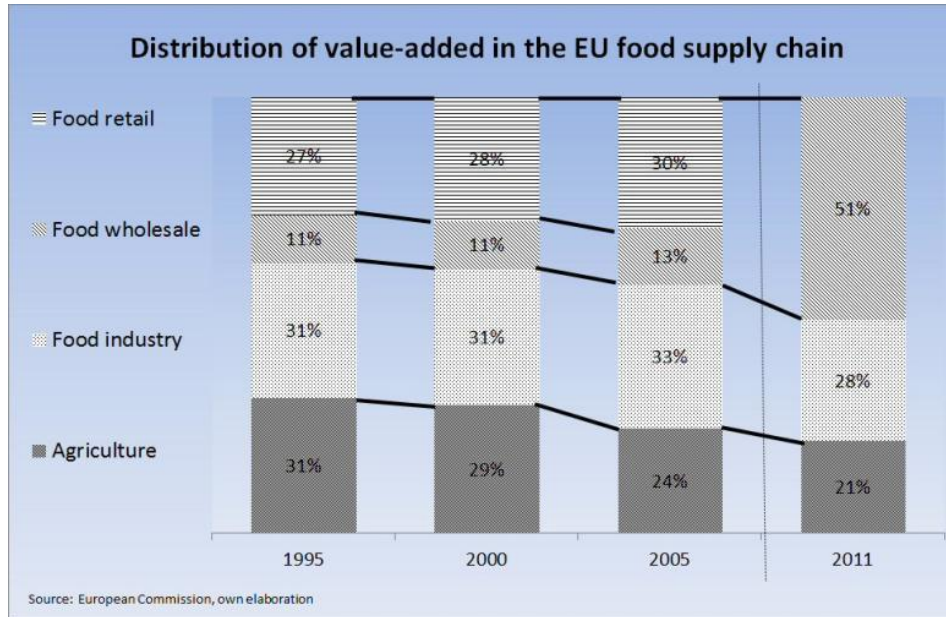
If inequality had not grown b/w 1990-2010, an extra 200 million people would have escaped poverty



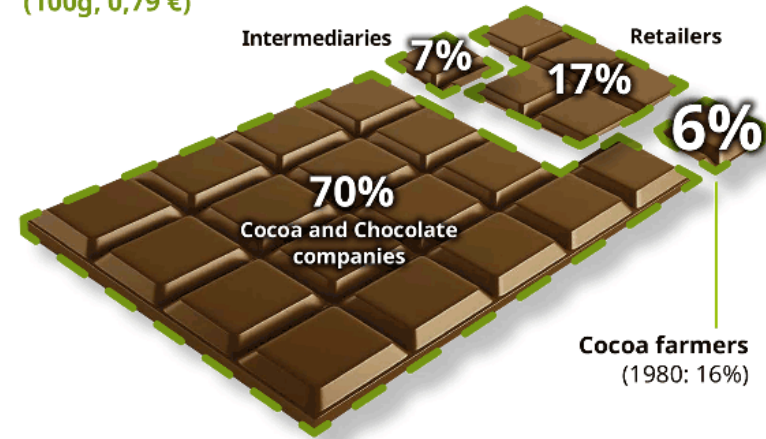
THE RICHEST 1% NOW OWN AS MUCH WEALTH AS THE REST OF THE WORLD



Declining share of value and the working poor



Share in the sales of an average chocolate bar (100g, 0,79 €)



Bonds | Sun Nov 16, 2014 4:00am EST

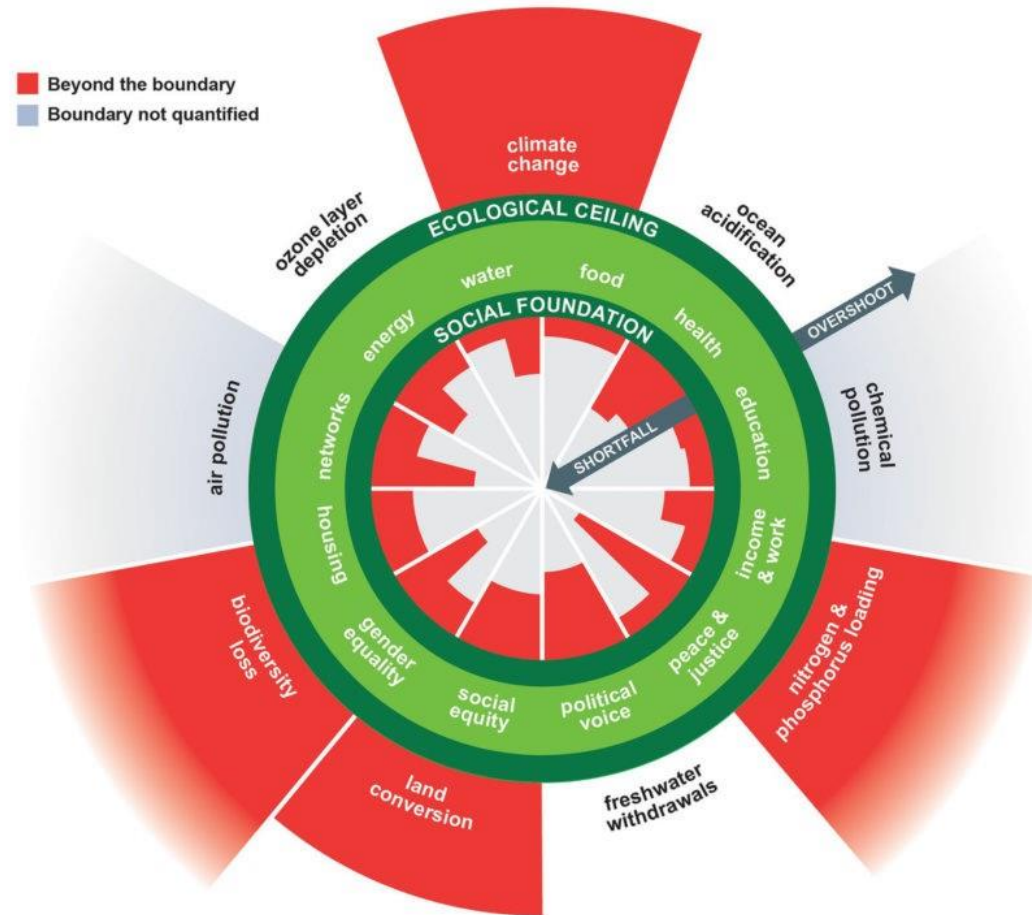
Related: STOCKS, BONDS, MARKETS, NON-CYCLICAL CONSUMER GOODS

Battered by falling prices, Kenya's tea farmers threaten to uproot

Inequality underpins multiple SDGs



Planetary boundaries



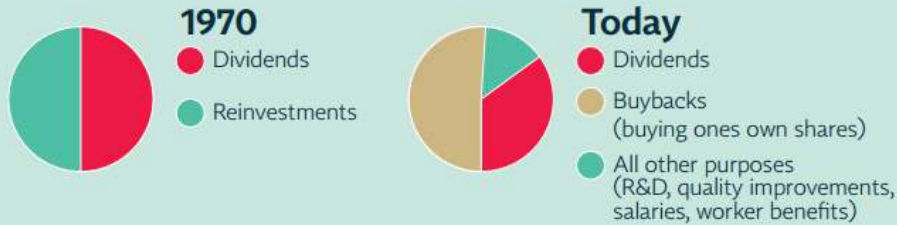
Problem 2: mainstream business has a one-track mind



*“Yes, the planet got destroyed, but for a beautiful moment in
time we created a lot of value for shareholders.”*

The problem with shareholder capitalism

How public companies spend their profits (USA)



Examples of the effects of cost-cutting:

The Rana Plaza factory collapse in Bangladesh

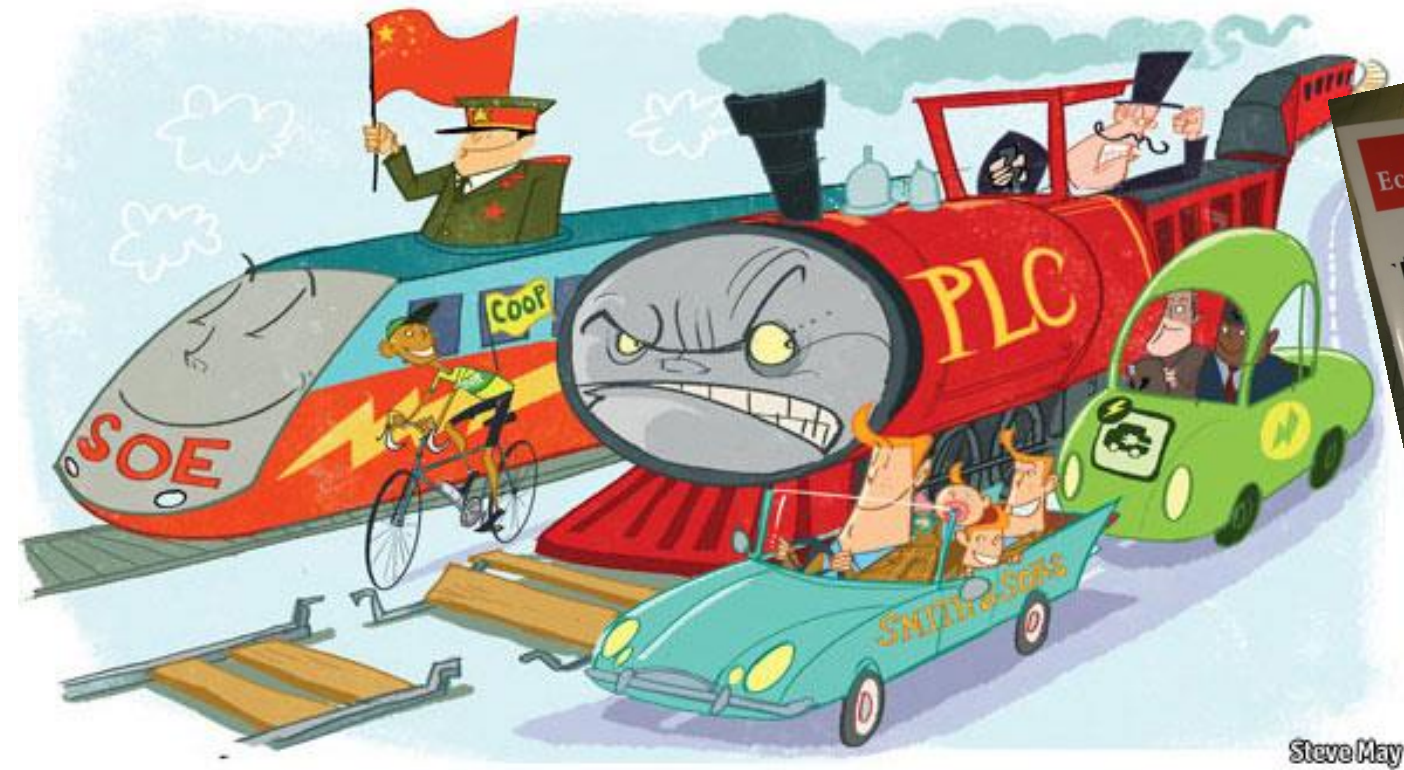
BP caused the largest marine oil spill in human history.

In the 1950s the ratio between the average CEO's salary & the average worker's salary was 20-to-1. Today that ratio has grown to more than 204-to-1.

... an increase of over

1000%

Solution 1: Alternative businesses models are on the rise



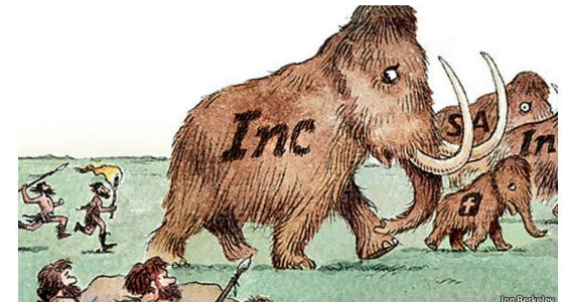
Steve May



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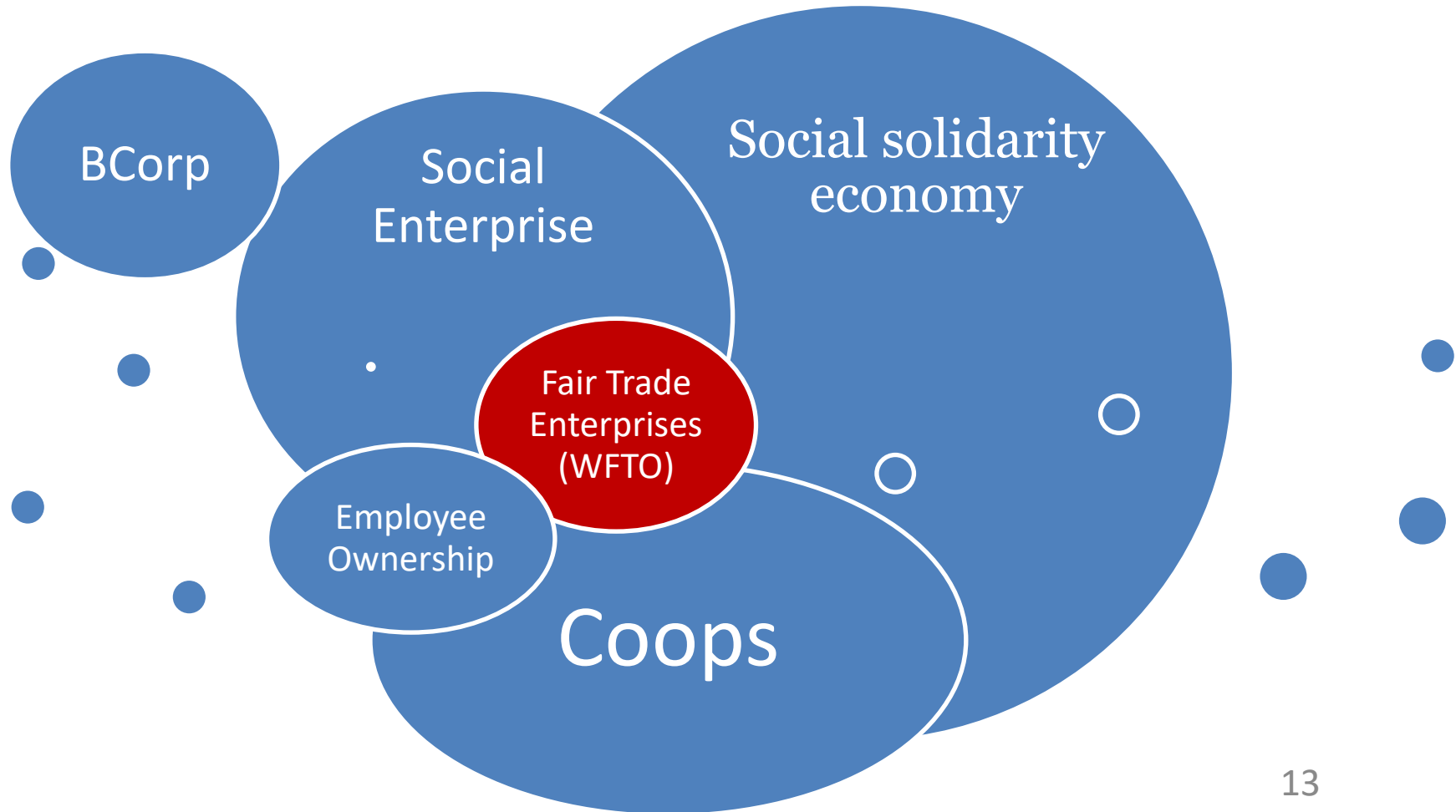
AS THIS newspaper went to press, Facebook was about to become a public company. It will be one of the biggest stockmarket flotations ever: the social-networking giant expects investors to value it at \$100 billion or so. The news raises several questions, from "Is it worth that much?" to "What will it do next?" But the most intriguing question is what Facebook's flotation tells us about the state of the public company itself.

Business models for a new economy



Power & priority given exclusively to shareholders

Movements in alternative business



Solution 2: Fair Trade Enterprises are the pioneer of this idea



Focus on **raw materials, agriculture and supply chains**



Entire **business model + supply chain** built around **producer interests**



Assessing the business model in its entirety



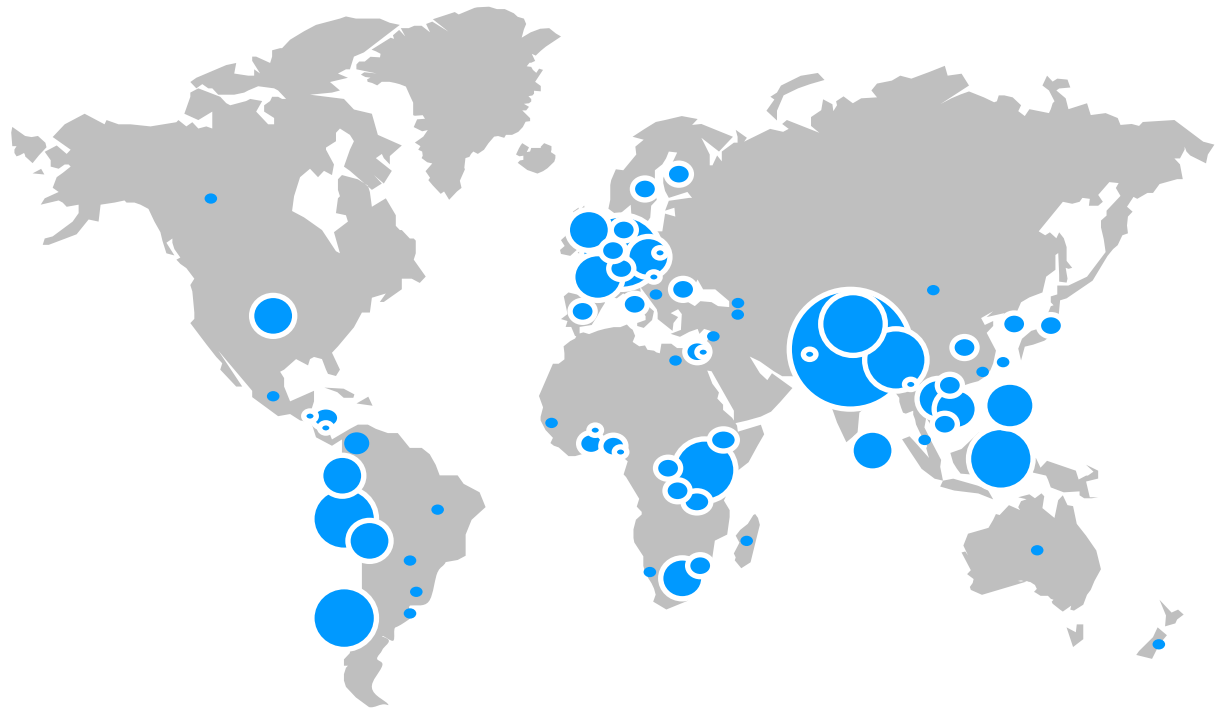
330 Fair Trade Enterprises across 70 countries

(WFTO trading members)

€761m turnover

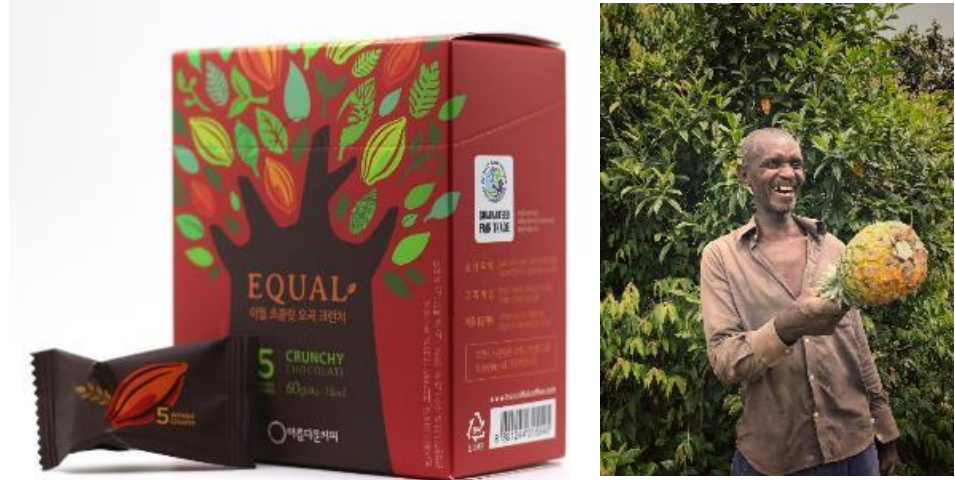
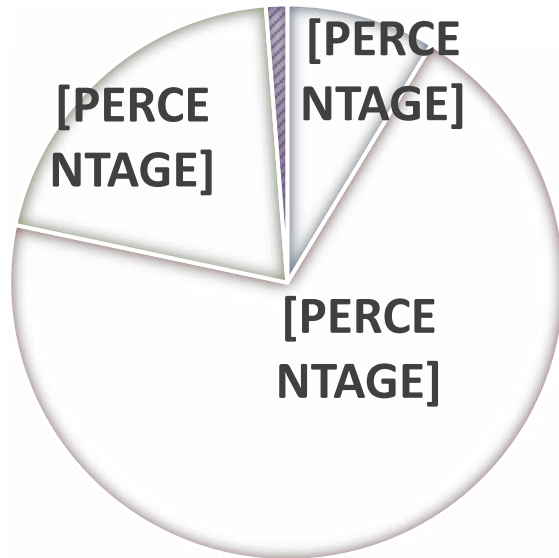
Top countries:

- India
- The Netherlands
- Kenya
- Bangladesh
- Nepal
- Chile
- Peru
- Indonesia
- France
- Sri Lanka



Products of WFTO members

■ food ■ fashion & home ■ both





**GUARANTEED
FAIR TRADE**

Livelihoods supported

965,700

Total number of livelihoods impacted by Fair Trade enterprises

74%

74% of total livelihoods supported are women

650

Average member in developing economies benefits 650 livelihoods

WFTO

WORKING TOGETHER FOR A FAIRER WORLD.





**GUARANTEED
FAIR TRADE**

Women's Leadership

51%

51% of board positions held by women

52%

52% of CEOs are women

54%

54% of senior roles held by women

Based on gender research of Carol Wills in EC Dear project

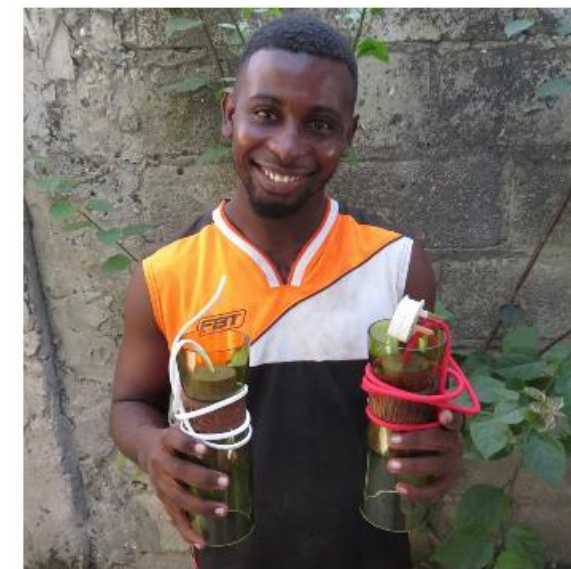


WFTO
WORKING TOGETHER FOR A FAIRER WORLD.



Our multi-faceted identities

- 91 members use **organic**
- 28 members have production models based on **circular economy**
- 20 members are focused on **refugee artisans**
- 44 (of 93 food) also use **Fairtrade commodity certification**



How WFTO system identifies Fair Trade Enterprises



Zooming into mission & structure

Unique features of Fair Trade Enterprises



Board

Mission-led organisations on board

Worker /farmer representation on board

Profits

Limits on profit extraction (reinvestment)

Distribution to workers or farmers

Profits to social programmes or donated

Governing documents

Legal form

Constitution or By-laws

Ownership

Ownership by mission-led organisation

Collective ownership



India



Germany



USA



South Africa



Guatemala

Emerging market dynamics

- **Crowded ethical market-place**, many messages, many claims
- Changing face of **retail**
- **Markets in the south** (57% of members sell)
- **Young consumers** want beautiful and ethical products
- Our **story** and **authenticity** is unique



“The Fair Trade movement has set a model
that others should seek inspiration from”

-Olivier De Schutter

