

Shaping the Future Generation of Fair Trade Workshop: Report from the Ketso engagement exercise

The Workshop Methodology

The workshop was designed to fit with the theme of the conference which was the Next Generation of Fair Trade (Fair Trade 2.0). The structure of the session was based on a methodology for community/stakeholder engagement called Ketso. The name of this tool kit means 'action' in the country of Lesotho where it was first developed during a community planning project. The physical tool is comprised of foldable felt 'baseboards' and a series of notation cards onto which participants can record their thoughts and ideas. The tool is embedded with the metaphor of organic and natural growth, featuring a central 'tree trunk', card where the primary theme of the discussion is recorded, and then a series of different colour 'leaves', where each colour represents a different theme of ideas. Methodologically, the kit is used with a specific structure. The engagement is undertaken in a series of rounds; and in this case three stages focusing on the issues of: 1) the positives or achievements of the Fair Trade movement 2) the problems and tensions of the Fair Trade movement and 3) responses to issues or possible future developments for the next generation of Fair Trade. These ideas were contributed on: brown leaves (to represent soil and foundations of growth, grey leaves (to represent clouds that block sun light) and green leaves (to represent new growth) respectively. Within each round, participants are asked to formulate two or three ideas that form in response to the issue under consideration and write them down. After a few minutes of thinking time, participants are asked to share their ideas, by placing one leaf on the felt and providing a short exploitation. Leaves can be placed anywhere on the felt and branches from the central trunk offers the opportunity to group ideas around themes: either as potential ideas have already been supplied, or because participants add new themes using blank trunks provided. Similar and connecting ideas, for example current limitations and potential solutions can be placed in a logical progression and grouping. When all the leaves have been contributed the participants are encourage to discuss the ideas – which usually emerges in an organic way given the stimulation provided.

In total 12 people participated in the workshop and were divided into two groups of 6 for the exercise. The ideas generated by the two groups have been combined for presentation below. The degree of ex-post analysis has varied across the conversion of stakeholder ideas into a coherent presentation. In some areas, ideas were clearly grouped and themes that emerged during the session have been retained. In other cases, ideas were less well linked and so have required subsequent interpretation to provide a coherent narrative.

The Current Positives of the Fair Trade Movement: The basis for future developments

Fair Trade Vales and Practices

The universal positive of Fair Trade was identified to have been the development of a focus on people as individuals within international trade networks. The lens through which this has been operationalised is fundamentally 'cultural' and concerned with 'fairness', 'equality' and 'justice'. For this reason, it was suggested that one of the strengths of Fair Trade is that it can be understood by people at all levels of knowledge and at all ages. Participants felt the Fair Trade movement has promoted the application of these values in discourse and trade relationships between consumers, intermediaries and producers; particularly, the overt application of fairness to the understanding and practice of prices and wages. The concept of 'living wages' was also raised as a welcome

introduction that has emerged through the Fair Trade movement. The concept of a Social Premium for investment in development projects was highlighted as a key strength of existing Fair Trade practices; and the use of trade relationships to build the capacity of producers, in a 'development approach to trade' was seen as a positive of the movement. Fair Trade networks are also seen as a framework through which access to finance can be supported more generally.

Other processes through which fairness and social justice have been operationalised a part of the Fair Trade movement have been through requirements for increased transparency and increasing the opportunity for different stakeholders in supply chains to communicate. This is especially considered to be true for the generation of connections between Northern and Southern stakeholders, and within this, the growing recognition by consumers of the conditions and challenges faced by those who produced the goods they consume. Fair Trade is considered to provide a mechanism for active, and not passive mutual support and solidarity, and in the wider sense, as a useful means to educate people more generally about global poverty and its facilitating factors.

Many existing practices of the Fair Trade movement were highlighted as important features, particularly in the way that these have generated existing knowledge. While much of the focus was immediately anthropocentric, it was suggested that Fair Trade has promoted improved environmental practices and use of resources.

Participants identified new certification systems as a positive development in the Fair Trade movement. Another positive development was of strong relationships and existing networks, such as those now administered by the World Fair Trade Organisation and Fairtrade International, with the growth of the Fair Trade Towns movement also specifically mentioned. Indeed, it was noted that Fair Trade has been built as a grassroots movement by people from across the globe working together.

The Growth of the Fair Trade Movement

Most basically, one of the key elements of Fair Trade success was identified to be the growing market for Fair Trade products among consumers; and the movement of Fair Trade goods into mainstream supply chains was highlighted as a key factor within this. As a result it was recognised that Fair Trade provided more choice for consumers – although from this mode of participation, there is a limitless degree of possibility for involvement and this flexibility was seen as a great strength. At this level of the individual, it was highlighted that involvement in Fair Trade is intellectually interesting and can be very enjoyable; for this reason, Fair Trade is considered to have generated a lot of 'commitment and passion' from many people. More widely, it was noted that Fair Trade demonstrated that social innovation can work and that real social change *can* be leverage by global movements.

Problems and Obstacles of the Fair Trade Movement

The Wider Context of Trade

Referring back to some of the original reasons that Fair Trade emerged as a civil society response to the perceived problems of the international trade system, stakeholders identified that state backed regulations and policy remain unfair. This is seen to be driven by 'greed' and the 'dominant economic paradigm'. Specifically, the continued and arguably increase propagation of 'free trade' practices was specifically noted. This effect makes it hard to ensure the payment of fair prices and wages within producer organisations. This context of competition is also seen to make it more difficult to promote more environmentally sustainable practices; and such an issue is intensified given the overarching context of climate change. At the same time, other problems of southern producers seeking to export internationally were seen to include high levels of local inflation, and

lack of access to appropriate financing, poor logistical capacity (physical and organisational) and a 'lack of design skills' to meet the needs of target markets.

The Multiplicity of Fair Trade Practices

Thinking about how successfully Fair Trade has addressed the perceived inadequacies of international trade, it was raised that the movement is now complicated by competing ideas of what Fair Trade should be, and the manifestation of such alternative visions in a variety of practices. Although stakeholders see strength in the development of new certification and accreditation labels, some also see this as a problem within the movement. Focusing on certification, it is also noted that compliance with environmental criteria for producers is a problem – especially where there is a lack of harmonisation between different certification/regulatory approaches. It was identified that a limitation of Fair Trade emanates from the mistrust that remains between some actors – and this includes that perceived to exist between certifying organisations. A significant issue identified is that the power play between producers and buyers remains uneven within Fair Trade relationships and that there is still a tension between cooperation and competition among peers. This situation is seen in-turn to make it difficult for the movement to control its strengths.

The Offering and Growth of Fair Trade Practices

Overall, the size of Fair Trade commercialisation channels and ultimate markets was identified to be too small – understood to have remained a niche market opportunity – to have a significant global impact. Overall, it was considered that the Fair Trade movement lacks resources. In addition, there is limited awareness of Fair Trade in Southern countries and also limited markets in northern countries – where a potential shift in the priorities of consumers and other actors, and an overall diminishing number of market opportunities (particularly for craft producers) and 'stagnant business' was highlighted as a threat. It was further noted that due to mainstreaming, the sales of Fair Trade pioneers was particularly problematic. This market situation, and the potential for reversal, was connected to the 'price sensitivity' of buyers; who stakeholder feel misunderstand the costs of the products that they buy, particularly in the recent economic climate.

It was felt that the potential of international networks has not yet been fully exploited, although it is a challenge to encourage the Fair Trade movement based in Northern countries, and that the sharing of knowledge across the global movement is difficult. The focus of knowledge generation was also identified to be a problem and in particular the focus on impact studies was not seen as useful.

Some contributors felt that there has been a corporate takeover of Fair Trade given the skills and resources that are available to such actors. For this reason, it is identified that committed Fair Trade practices have been diluted with 'responsible consumption' and there has been a rise in 'opportunism' as compared to the formation of 'long-term relationships'. There was also concern that state involvement with Fair Trade, and particularly its regulation, was creating tensions within the movement.

Future Developments and Solutions to Current Problems: The Next Generation of Fair Trade

Networking and Knowledge Sharing

Broadly there was agreement that specific ways need to be found to involve the next generation and to grow the movement in a sustainable way: and that this could very much focus on beginning at home both in the Global North and South. One mechanism to promote such activity was the further

development of existing networks, but it was also suggested that the benefits of these needs to be better coordinated. In particular, such networks were felt as useful to spread resources and particularly the knowledge that underlies best practices. The opportunities afforded by social media for building further connections and communications between people and spreading knowledge of Fair Trade were identified: and these mechanisms were specifically seen as new opportunities for market development.

Stakeholders felt that further education is needed about Fair Trade and continued awareness raising will remain important. Fair Trade Towns are seen as a key part of the Next Fair Trade Generation, and they were specifically highlighted as a means to drive the awareness raising agenda both in Northern, but also in Southern countries. One stakeholder suggested that we strive for '100% public recognition of Fair Trade' and as part of this there was more price sensitisation so that actors in the market better understood how these are developed. Another more specific suggestion was that companies involved in Fair Trade ran or sent their employees on professional training courses focused on the subject. Existing efforts around the 'twinning' of northern and southern communities ([such as those being promoted in Wales, UK](#)) are considered to have great value and it was suggested that these activities be continued in the future. Returning to the subject of values in which most of the existing possibilities of the Fair Trade movement are grounded, it was noted that the 'value of partnership' should be further promoted.

Fair Trade Authorities

There was a suggestion that the current tensions between labelling organisations operating under the umbrella of Fair Trade could hold more developed 'summit talks'. In general it was proposed that the value of transparency be operationalized further within the Fair Trade movement. The World Fair Trade Organisation (WFTO) was encouraged to roll out the proposed labelling system, to allow the product certification of craft items and other products currently falling outside the possibilities of existing options. However, on the subject of labelling and certification for the future of Fair Trade, while some contributors saw value in the development of multiple approaches, there was one call for 'one label, one voice'.

Stakeholders identified that the Fair Trade movement needed greater state recognition and support, and that there should be further alliances between the Fair Trade movement and the state. One concrete area where this was identified as needed in that of public procurement and the mechanisms that surrounds it.

Capacity Development

Building on the theme of capacity development, it was suggested that the Fair Trade movement seeks to tap into corporate experience and capacity, to improve skills in areas such as Information Technology and Logistics. Generally, IT and in particular SMART Phone technology was identified as a potentially important aspect of the future for Fair Trade. A further source of potential capacity building was the development of a Fair Trade Design Council that would support producers with the development of products for their identified target markets.

Given the importance of financing Fair Trade activity, it is considered that more funding is needed for the development of the movement. Specifically, it was proposed that a mechanism be established through which individuals and companies might be able to allocate a certain percentage of their pre-tax income to Fair Trade funding institutions.

Market Development

Despite a growing demand for Fair Trade products it was felt that southern markets need to be much better developed: for example, as is being undertaken in South Africa and Eastern Europe. One very practical suggestion was to develop an official song for Fair Trade that could be used to promote and raise awareness – with the idea that it might be distributed through social media and hopefully ‘go viral’.