

'Fairtrade' and 'Fair Trade': What is the difference?

Fairtrade (one word, with a capital F) – and here's a definition – is '*a strategy for poverty alleviation and sustainable development, whose purpose is to create opportunities for producers and workers who have been economically disadvantaged or marginalised by the conventional trading system*'.

It works by:

- a) setting standards for and certifying and auditing producers (usually poor farmers) in the South, and the commodities they produce;
- b) licensing of marketed products in consuming countries ...

... both according to internationally agreed criteria formulated by **Fairtrade International**,

The **Fairtrade Foundation** is the British affiliate of Fairtrade International, i.e. National Fairtrade Organisation. There are 23 such National Fairtrade Organisations around the world, all in the 'North', covering 25 countries, and there are 9 Fairtrade Marketing Organisations, of which 3 are in the South, India, Brazil and Kenya. (See '**Fairtrade near you**' for the full lists of all these countries.)

There are also three producer networks in **Africa, Asia and Caribbean & Latin America** which are members of Fairtrade International. It is estimated that within these three regions over 7½ million people in 74 countries now benefit from selling their products through the Fairtrade system.

The FAIRTRADE Mark: All products marketed through the Fairtrade system in UK bear the **FAIRTRADE Mark**¹, and *only* products carrying the Mark have come through the Fairtrade system. In UK over 4500 products now carry the FAIRTRADE Mark, which guarantees two things: a fair and stable price to the producer and a premium for social and business investment.

Most products bearing the Mark are food and drink, but there are also Fairtrade sports balls, Fairtrade cotton, Fairtrade cut flowers and ornamental plants, Fairtrade beauty and cleaning products and Fairtrade gold, platinum and silver. (See full list of product categories under **FAQs** on the Fairtrade Foundation website.) As yet there are no Fairtrade craft goods, such as those marketed by **Traidcraft** and other well regarded '**Alternative Trading Organisations**' (ATOs) which also trade fairly according to recognised standards (see below).

To carry the FAIRTRADE Mark at least 20% of the ingredients which *can* be Fairtrade *must* be Fairtrade (e.g. in Fairtrade muesli only the dried fruits and sugar can be Fairtrade, since the flakes cannot be), whereas bananas and coffee are 100% Fairtrade.

Fairtrade Towns: In Britain '**Fairtrade towns**' (and cities, counties, zones, universities, schools, churches, mosques and synagogues) are validated by the Fairtrade Foundation according to agreed criteria relating *solely* to the use of and support for Fairtrade products (*not* fairly traded).

The Fairtrade Town movement started when **Garstang** in Lancashire 'declared' itself to be the world's first 'Fairtrade Town' in 2000. Since then this brilliant idea has been copied in many other places worldwide, and there are now over 1700 Fairtrade Towns across 25 **countries**, but still Britain has by far the most (over 600).

Fair Trade (*two words, capital F and capital T*) is a more general term, used in three ways:

- a) To describe the **world-wide movement of people** who support and promote Fairtrade (and other fairly traded and ethically sourced products) in their communities, and who may also promote Trade Justice (see below). Some groups may also encourage the sale and consumption of **locally sourced products**.
- b) As a general term to describe **any system of trading based on the explicit principle of being 'fair'** to poor producers (as 'free trade' so often is not). Many would say that it includes Fairtrade, though others would apply it only to products which do not yet have the FAIRTRADE Mark, such as many craft goods sold by **Traidcraft**, and other **Alternative Trading Organisations**. Sometimes this form of trade is referred to as 'fair trade' (without capitals), or 'fair trading', and the goods as 'fairly traded'.

The monitoring of fairly traded goods which do not carry FAIRTRADE Mark is done through such bodies as the **World Fair Trade Organisation (WFTO)**². Shops which sell these goods in UK usually belong to **BAFTS** (British Association of Fair Trade Shops).

- c) As an **alternative** term to **Trade Justice**. Dedicated movements, such as the **Trade Justice Movement**, and organisations, such as **Global Justice Now**, focus on the issues of international trade and are the source of information and calls to action for Trade Justice campaigners

Note: Some campaigning groups, such as ours in Keswick and **Cumbria Fair Trade Network**, have deliberately chosen to call themselves 'Fair Trade' because they promote the buying, selling and consumption of *all* fairly traded goods (in particular, but not only, those bearing the FAIRTRADE Mark), *and* they **lobby** for changes to the rules of international trade.

Three final points:

1. In some European countries the National Fairtrade Organisation is known as **Fairtrade Max Havelaar**³, e.g. '**Fairtrade Max Havelaar France**', which promotes 'Commerce Equitable' (i.e. Fairtrade).
2. Because Fairtrade has been so successful in attracting more and more consumers who want to shop ethically, some manufacturers 'claim' to be Fairtrade (or 'fairtrade', or 'fair trade', or 'Fair Trade', or 'Fair trade'), when they are not. So our advice is always to check their credentials. If their products do not carry the FAIRTRADE Mark, then they are definitely *not* Fairtrade as described in this piece, though they might, by other criteria, be considered 'ethical', but *always* ask what these are. Always a good test is to ask if the business concerned can honestly sign up to the **Ten Principles of Fair Trade**, even if they have not

formally done so.

3. **Rain Forest Alliance** is not Fairtrade, but another certification system which focuses on maintaining high environmental standards. It does not guarantee price and nor does it pay the social premium, but it does work with farmers to ensure high standards of environmental care. Yet another system focusing on sustainability is **UTZ**.
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1. The FAIRTRADE Mark: This is a trademark description, and whenever it is written is should be written with 'Fairtrade' fully capitalised. In September 2008 the familiar rectangular double logo was replaced by the single Mark, which you see here.
2. WFTO was formerly known as IFAT (International Fair Trade Association) and at one time the 'International Federation of Alternative Trade'.
3. Max Havelaar was the fictional protagonist in a book of the same name who battled the corrupt colonial government in Java in the mid-19th century. Fairtrade, as we now know it, was started in Holland in the late 1980s by a group of activists, who took 'Max Havelaar' as the name for their organisation, which has since become 'Stichting Max Havelaar Netherlands' '**Stichting Max Havelaar Netherlands**'.