

## Statement on SOAS report - **Fairtrade, Employment and Poverty Reduction in Ethiopia and Uganda**

20th May 2014

Fairtrade International is strongly committed to improving trading terms, working conditions and poverty outcomes for both farmers and workers employed in Fairtrade supply chains, which are the core areas of our work.

We value rigorous independent research exploring Fairtrade's impact on poverty, trade, and rural farmer and worker livelihoods and the use of the Fairtrade label. Such research helps us to strengthen our work and better address challenges that persist in the regions where we work. Fairtrade standards regarding workers' rights are benchmarked with International Labour Organisation conventions, and recent informed changes include Fairtrade's [revised Hired Labour Standard](#) with stronger protection and benefits for workers, the launch of a [new project to improve the situation of workers within small farmer organizations](#) and Fairtrade's [improved monitoring and evaluation system](#) to gather essential data on wages and working conditions to feed back into our work.

In addition to our internal monitoring and audit programmes, a growing body of evidence, through such independent research, has enabled our understanding and response to various challenges and limitations. Such research has also documented Fairtrade's contribution to a wide range of positive benefits for farmers and workers across regions and countries where we work. Specifically for workers, recent research reports published by independent and reputed institutions have documented Fairtrade's contribution to benefits such as improved working conditions (access to sick leave, contractual terms and overtime payment), improved voice and representation (including better relationships with management) and significantly improved standard of living (through access to better housing, local educational facilities and better safety and health conditions) including in sectors such as tea and flowers in East African countries.<sup>1</sup>

We note the innovative methodology and large sample size that SOAS's research project has used to answer its three research questions, only one of which focuses on Fairtrade. We also note however that the study has not sought to evaluate the impact of Fairtrade's model and interventions as it has not followed an impact evaluation methodology. Considering this, we are keen to understand these findings in the context of regional dynamics in these six research sites and two countries, both within and outside of Fairtrade supply chains. It will be interesting and important for

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<sup>1</sup> Examples taken from the following studies:

[http://www.nri.org/images/documents/project\\_websites/AssessingPovertyImpacts/APISS-KenyanTea.pdf](http://www.nri.org/images/documents/project_websites/AssessingPovertyImpacts/APISS-KenyanTea.pdf)

[http://www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/2012\\_Fairtrade\\_Impact\\_Study.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2012_Fairtrade_Impact_Study.pdf)

[http://www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/140330-Banana-Colombia-Fairtrade-Impact-Study-final.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/140330-Banana-Colombia-Fairtrade-Impact-Study-final.pdf)

us to compare the findings here with results from other independent research that has focussed on other Fairtrade production sites. We look forward to analysing their detailed data further, and use this to deepen our own understanding, working with farmers and workers groups in these regions.

One factor that may partly explain the report's findings is that in several places it compares wages and working conditions of workers in areas where small-scale Fairtrade certified tea and coffee farmer were present with those on large scale plantations in the same regions. The report itself identifies farm size, scale and integration into global trade chains as major factors influencing conditions for wage workers, but then its conclusions appear to be based on unfair and distorted comparisons between farms and organisations of dramatically different size, nature and means.

In contrast, we note that when comparisons are based more on like-for-like situations, such as the study's own analysis of Ugandan coffee in small scale coffee production set-ups, it finds key areas where workers in areas with Fairtrade certified farmer organisations in fact had better conditions compared with those in non-certified, such as free meals, overtime payments and loans and wage advances for workers (Chart 3.10, p. 83-4). This is in sharp contrast to the more generalised conclusions being presented by the SOAS team.

Furthermore, we note that in Ethiopian coffee, although certified smallholder farmer organisations were clearly not able to provide housing or medical facilities to the same extent as large scale plantations, SOAS then provides evidence (Chart 3.11, p. 85) that it was in the sites where Fairtrade producers were operating that workers had better access to free meals, clean toilets and on average were paid most promptly, even when compared to much larger employers. In the case of wage workers on larger farms, the report also notes that the one Fairtrade certified plantation (an Ethiopian flower farm) included in the study actually withdrew from certification shortly after SOAS fieldwork was conducted, while the 'non-certified' farm cited has in fact been Fairtrade certified since 2012.

While we were given an opportunity to comment at an earlier stage in their report writing process, we are disappointed to see that the final report has not properly taken account of the many issues we raised, particularly regarding what we view as the report's generalised conclusions, unfair representation of data and lack of attention to the specific interventions of the Fairtrade system when attributing their conclusions to Fairtrade or other factors affecting the experiences of waged workers. While we have already taken action on specific issues we have been made aware of, the SOAS data and findings therefore warrant further scrutiny and analysis and we look forward to the opportunity to do this now that the report has been published.

Fairtrade is a continuous improvement system, which is committed to learning, drawing insights, and adapting approaches to optimise positive impacts for farmers and workers in all countries where we work. We will continue to focus our efforts to that end.

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