

TRADE AND DEVELOPMENT

A submission to the International Development Select Committee by members of the IFAT UK Fair Trade Leaders Forumⁱ, January 2003

Executive Summary

This submission draws upon the experience of UK Fair Trade organisations that have first-hand experience of trading with developing countries. It outlines the perspectives of Fair Trade Organisations and their trading partners overseas and summarises the growth in consumer interest in fair trade in the UK. The paper sets out the principles through which trade can have a positive impact on poverty and, through a comparison with prevailing practice, suggests a number of actions for the UK government.

- Whilst Fair Trade has shown that trade can have a positive impact on poverty reduction, in many cases mainstream trade increases the vulnerability of producers and can lead to increased poverty and environmental degradation.
- The UK Government has a vital role to play in pressing for the development of a trading environment which benefits both producers and consumers. This can be realised by re-assessing the UK's position within the EU, the international donor community and the WTO.
- Within the UK greater focus on policy coherence is needed, bringing together the government departments responsible for trade and sustainable development.
- The UK's role in enforcing economic liberalisation is at odds with its poverty reduction remit and its trading interests as a member of the EU compromise its position as a development donor. Where these roles and interests overlap, greater public consultation and accountability is required and participatory poverty impact assessments should be conducted as a priority.
- Whilst reforms to the enabling environment for trade are essential, supply-side constraints in poor countries must be recognised and meaningful capacity building programmes implemented. Even so, if the regulatory and subsidy regime which systematically disempowers producers from poor countries continues, the capacity of any developing-country business to trade internationally will continue to be limited.
- There is also a need to build greater trade policy capacity in developing countries, and to facilitate the links between domestic policy making and SMEs in developing countries.
- At the same time the majority of UK businesses continue to refuse to recognise their social and environmental impacts, including in developing countries. With the growth of Corporate Social Responsibility in the UK the government is urged to facilitate a process whereby the claims of different CSR initiatives can be assessed on the basis of corporate performance on the ground.

Main recommendations

- Mainstream trade should be structured to mitigate negative social and environmental impacts. Trade rules should take into account the special needs of poor countries and should be applied fairly and equally.
- Greater policy coherence is needed across the different UK government departments responsible for trade and sustainability.
- The UK should use its role as a leader in the international donor community to ensure as a matter of principle that developing countries are not pressurised into trade liberalisation before meaningful poverty impact assessments have been carried out.
- Poor countries should have the right to protect their own markets to enable them to ensure the livelihoods of their citizens. They should be allowed to subsidise their own local production for domestic markets.
- The UK government should require the EU to strengthen their Sustainability Impact Assessments, ensuring greater participation from key stakeholders in third countries.
- The UK Government should push for greater accountability by UK companies of the impact of their actions on developing countries.
- The Fair Trade model shows that trade can be undertaken in a way which has a positive impact on poverty.

1. INTRODUCTION

1.1 As UK members of the international Federation for Alternative Trade (IFAT)ⁱⁱ, we welcome the enquiry by the International Development Select Committee into trade and development. IFAT is the international network for Fair Trade organisations, who have a particular perspective on these debates as both trading entities and campaigners for social justice. IFAT's membership includes some 111 producer groups and export marketing organisations in 35 Latin American, African and Asian countries. The content of the following submission draws on the experience of sustainable trading of IFAT members in the UK and their trading partners overseas.

1.2 IFAT's membership is diverse, including multi-product Fair Trade Organisations, world shops and Fair Trade brands. Though they differ in their business approach and remit, all members of IFAT subscribe to the belief in promoting trade as a vehicle for development and poverty alleviation. Other companies also offer fairly traded products as licensees of the Fairtrade Foundation. The Fairtrade Foundation is a member of Fairtrade Labelling Organisations International (FLO) and awards the Fairtrade Mark in the UK. **Annex 1** details the UK members of IFAT who have collaborated on this submission.

2. THE PRINCIPLES OF FAIR TRADE

2.1 Fair Trade sets out to address the inequity of the present global trading system, which neglects the needs of poor producers at the bottom of the supply chain who are not represented in trade negotiations and have no negotiating power. Fair Trade works in developing countries with producers of agricultural, manufactured and handcrafted products whose circumstances effectively marginalise them from mainstream trade system. In most cases these producers will be workers' co-operatives and small and medium-sized enterprises (SMEs), although this is not a requirement of Fair Trade. Terms of trading are set in a way that ensures producers receive a price that covers a fair return on capital costs and labour, plus business training and support where needed. In many cases it is necessary to provide pre-delivery financing, in recognition of the economic vulnerability of the groups with whom Fair Trade Organisations work. In particular Fair Trade Organisations work to establish trading relationships that are transparent, equitable and accountable thereby ensuring that producers are able to overcome barriers to trade and establish sustainable livelihoods.

2.2 The fair prices and premium paid to businesses and communities engaged in Fair Trade also allow collective saving schemes which are then invested in community-owned projects that improve the standard of living of all.

2.3 The Fair Trade market in the UK in 2002 was worth more than £60 million, with Fairtrade labelled products making up about £45million in sales - a growth of 40% year-on-year.ⁱⁱⁱ

2.4 The market for Fairtrade coffee in the UK has a value of £18.4 million, and constitutes 13.9% of the roast and ground coffee market. Twenty-three companies now offer fairtrade coffee^{iv}. Other products for which a Fairtrade label currently exists in the UK include tea, cocoa, chocolate, sugar, honey, biscuits, fresh fruit and juices.

2.5 In these ways Fair Trade is contributing to the realisation of the Millennium Development Goals, which seek to reduce the number of people living in absolute poverty by half by 2015. Through engagement with a worldwide network of producers and partner organisations who work with some of the world's poorest communities the Fair Trade movement has first-hand knowledge of the conditions under which trade can be a powerful force for sustainable economic and social development.

3. THE RELATIONSHIP BETWEEN TRADE AND POVERTY REDUCTION

3.1 Fair Trade Organisations operate on the principle that trade can make a sustainable and significant contribution to poverty reduction. It is estimated that more than five million producers around the world benefit from Fair Trade terms and the producer support and capacity building that is provided^v.

3.2 However, trade is not synonymous with social development; in many cases trade can and does increase instability, vulnerability to shocks and exacerbate poverty. Furthermore, many fair trade organisations emphasise the importance of environmental factors for sustainable development. Mainstream trade can be destructive of the environment, depriving the poor of sustainable livelihoods. In order to minimise the injustice of mainstream trade, there need to be fundamental revisions in the political enabling environment for trade and development, as well as changes in the practices of businesses themselves. For the purposes of this submission issues will be collected under these two themes, with recommendations on the UK government's role. In responding to such a broad Committee enquiry these issues will of necessity be dealt with in summary, although we would be pleased to offer more detail on specific aspects on request.

4. THE ENABLING ENVIRONMENT FOR TRADE AND DEVELOPMENT

4.1 Policy Coherence

4.1.1 There is a lack of policy coherence across the different UK government departments responsible for trade, sustainable development and corporate accountability. While we welcome this enquiry into trade and development, **we call for a combined enquiry with the Trade and Industry Select Committee so that these issues can be looked at in the round.**

4.1.2 Similarly, the Fair Trade movement relates both to DFID and the DTI (and DG Development and DG Trade in the EU) and this contact makes us aware of numerous instances of policy inconsistencies between the departments. **In the UK, a fully operational inter-Departmental working group involving DFID, DTI, DEFRA and the FCO is needed** in order to ensure policy consensus and create a truly enabling environment for sustainable trade and make good on the government's stated commitments to fair and sustainable trade. **A similar process is called for between the different services of the European Commission (principally DGs Trade, Development, Agriculture, Enterprise, Employment and Social Affairs).**

4.2 The UK's role in enforcing economic liberalisation: how far is it pro-poor?

4.2.1 The rules which govern trading relationships at both the national and international level are critical in determining whether trade can have positive impacts on poverty. For example, as a critical tool for long-term sustainable development, Fair Trade seeks to support the growth of a thriving domestic market as well as export market. Rushed trade liberalisation - an approach which prevails among industrialised nation governments and among donors and international institutions - has been shown in certain circumstances to lead to increased imports of heavily subsidised northern products thereby undermining local enterprises and exacerbating poverty.

4.2.2 Where there are special concessions made by rich countries to poorer ones, these are usually little more than short-term expedients. Yet there is a growing body of evidence to show the damage to weak economies in developing countries wrought by liberalisation. The results of the *Zambian Trade Policy Review (TPR)* (October 2002) is a recent example. Despite a full-scale liberalisation programme throughout the 1990s the TPR cites Zambia's GDP per capita as having fallen in real terms and the proportion of Zambians living in poverty as having increased from 70% in 1991 to 75%.^{vi}

4.2.3 It has been shown that liberalisation creates an economic environment that is worse for the poorest and most vulnerable, whilst companies tend to consolidate their supply base. Where merely boosting competition and economic openness are the driving factors, the contribution that trade can make to sustainable development can be minimal and in some cases - as in Zambia - can be counter-productive. Developing countries are often pressurised into liberalising their economies by donors.

4.2.4 The UK's role as a leader in the international donor community means it has significant influence in economic policy in developing countries, especially in relation to the trend towards budgetary support for some of the world's poorest nations. It has a responsibility to ensure that liberalisation is not enforced as a 'one size fits all' economic solution. **We therefore call on the UK government to ensure that - as a matter of principle - no pressure is put on developing countries to enter into liberalisation programmes that could be against their national interest. Full, open, participatory and long-term poverty impact assessments should be undertaken before any such moves in the future.**

4.2.5 While any progress on transparency, accountability and anti-corruption is of course to be welcomed, it is a fact that much donor pressure continues to be exerted on developing country governments to transfer public services and utilities to private ownership under the guise of liberalisation. In many cases this process takes place without any meaningful assessment of the likely social and environmental impacts of such action. In certain cases, so-called corporate social responsibility and fair trade can be used as "sweeteners". For example, there is concern that the Asian Development Bank (ADB) is linking support for various fair trade initiatives to the pressure it is applying to recipient countries to accept privatisation of the domestic water supply. **DFID as a key donor to the ADB has a responsibility to ensure that such unfair practices are ended.**

4.3 The UK's role as a member of the EU in multilateral trade negotiations: how far is it contradictory?

4.3.1 The UK government is active in its support for multilateral trade agreements. It is a committed member of the WTO and, together with its other EU counterparts, active in the range of bilateral and multi-lateral trade agreements to which EU members are now signatory.

4.3.2 We believe that **poor countries should have the right to protect their own markets** and to negotiate trade on terms which will protect the livelihoods of their citizens. In addition, **poor countries should be allowed to subsidise local production for domestic consumption** to enable them to compete with intentionally dumped subsidised products from the EU and USA.

4.3.3 **In order to avoid contradictions and competition between its separate trade and poverty reduction objectives the UK government should broaden public consultation on areas where these two overlap.** While there are currently various mechanisms where the government engages with civil society, such as the Trade Policy Consultative Forum^{vii}, these are not sufficient in their content or their remit. In particular **the government should consult widely and openly on the likely social and environmental impacts of its planned trade positions** ahead of any bilateral or multi-lateral trade negotiations being entered into.

4.3.4 Where the UK government's position is negotiated by the EU, the same principles should apply and we call on the UK government to ensure that they do.

4.3.5 **In particular, we are concerned that the EU's current Sustainability Impact Assessment (SIA) process is weak and inadequate**, with an approach that is unlikely to deliver meaningful results. The Fair Trade movement focuses considerable resources on assessing and improving the poverty impact of its own activities. Impact assessments are run by IFAT members as a central part of their business management, in order to determine future strategy. An important

principle is that in impact assessments, local organisations should be able to set their own objectives.

4.3.6 By contrast, those (few) SIAs that have been conducted by the EU to date have been a parallel process to the launching of trade negotiations; they have not been conducted well in advance as they should, nor have they been transparent and participatory, involving all stakeholders in a public dialogue on the issues. The EU's SIA have also been expensive - the current budget for the SIA of the Cotonou Agreement is one million Euros. Most recently, regarding the Cotonou Agreement^{viii}, the SIA process was launched, but only after the Cotonou Agreement was signed and the commitment to reciprocal free market access between some of the richest and poorest nations on earth had already been made legally binding. The critical aspect of reciprocity, which distinguishes Cotonou from its predecessor Lome conventions, risks potentially enormous damage to public sector finance through customs revenues and poses the threat of competition to ACP SMEs from EU business. With the commitment to the principle of reciprocity already made, the SIA on Cotonou risks being little more than a token. While the SIA identifies "flanking measures" such as corporate social responsibility and Fair Trade, which might ameliorate some of the adverse impacts of Cotonou, the EU's current approach suggests that they will be little more than sweeteners to a process which is likely to be unfavourable to some ACP countries and counter-productive to achieving sustainable development through trade.

4.4 Market access: the need to build meaningful trade capacity in developing countries

4.4.1 One of the central principles of IFAT members is that trade should be a transparent, accountable and equitable partnership. In this spirit of partnership, IFAT members in industrialised countries commit resources to build the capacity of their partners in the South. This aspect of capacity building can range from pre-order financing to the provision of a range of long-term business development services, and goes well beyond the norm of short-term (often only seasonal) embedded service delivery found in mainstream commercial supply chains.

4.4.2 This principle of partnership underpins the Fair Trade movement's approach to market access. Through this experience IFAT members recognise the importance of dealing with supply-side constraints in building more sustainable trade between rich and poor nations. While this is an issue which is receiving increasing political attention, including from the UK government, the provisions made remain insufficient. **The need is not for increased market access alone, but market access linked at every stage to capacity building programmes to increase the ability of developing countries to compete in new international markets.** It is the experience of Fair Trade Organisations, who work with economically marginalised groups, that long-term capacity building inputs are needed across a range of business development services including marketing, pricing, product design, quality assurance, health and safety compliance and logistics. One of the reasons cited by the EU as a reason for abandoning the (non-reciprocal) Lome Conventions was that they did not deliver significant market development to ACP countries. Given the difference in capacity and subsidy between businesses in the EU and the ACP this was to have been expected. **Regulatory changes to market access without coherent business development inputs will mean that the economic benefits of international trade, and the consequential benefits to livelihoods in poorer countries, will not be realised.**

4.4.3 It is important to stress that capacity building of itself will only achieve limited success in market development. Trade rules and regulations in numerous sectors continue to shackle businesses in developing countries, made more unjust by vast subsidies to EU and US businesses, and a plethora of import barriers and restrictions. **While this regulatory and subsidy regime continues the capacity of any developing-country business to trade internationally will continue to be limited.**

4.4.4 Fair Trade was established to support marginalised producers access *appropriate* markets - including local, regional and international markets. **Developed-country tariffs for processed agricultural goods are often much higher than for raw materials. This poses a critical barrier to the development of export markets in many goods where developing countries are competitive and on which many poorer producers rely.** It also deprives producers of the ability to add value to their goods, placing a 'glass ceiling' on developing countries' ability to integrate into the world economy on an equitable and sustainable basis. Thus initiatives such as Everything But Arms are limited – EBA itself only applies to Least Developed Countries and to raw commodities, which prevents producers from adding value in the country of origin.

4.4.5 At the same time **there is a need to develop greater awareness among consumers throughout the EU on the link between trade and development**, in order that they can make truly informed purchasing decision and so help build markets for sustainable business from the South. The full costs of production - including social and environmental costs as well as financial costs - should be made plain to consumers. **The government has a role in ensuring that disclosure from companies on these matters - whether voluntary or mandatory - is accurate and accountable.**

4.5 The need to build meaningful trade policy capacity in developing countries

4.5.1 The Fair Trade movement around the world subscribes to a rigorous set of voluntary standards regulating terms of trade. We support the principle of a rules-based trading system provided that system is transparent, accountable and fair. We believe that free trade can only be fair if the rules that govern it take into account the special needs of poor countries and do not prevent national regulation in the public interest. In addition trade rules need to be applied fairly and equally. It is outrageous that the USA and the EU are allowed to subsidise and dump crops in developing countries when those same developing countries are not allow to subsidise local production for domestic consumption.

4.5.2 The rhetoric of **the Doha Development Agenda does not take account of the immediacy of the problems facing developing countries in engaging with multilateral trade negotiations** at the WTO. Willingness to share the riches of the world more equitably, expressed in the final agreement of the Uruguay Round, has not yet been borne out in practice. Existing rules need further assessment to ensure the greatest possible benefit for people in poor countries. This has to happen before the so-called 'new issues' can be tackled in any sustainable way.

4.5.3 Above all, we believe that the World Trade Organisation should exist only for the formulation and monitoring of trade rules that will benefit all people equally. **Issues that are not trade issues should not be dealt with at the WTO.** There are serious developmental risks in increasing the WTO's remit, not least in increasing the potential barriers to industrialised markets of developing country producers.

4.5.4 While welcome efforts have been made since Seattle to make the WTO more transparent - in terms of access to key documents - the process remains grossly undemocratic. If the true spirit of the Doha Development Agenda is to be realised the practice of conducting WTO business at unrepresentative mini-Ministerials - of the kind that took place in Sydney on November 14th and 15th 2002, where only twenty-five members were present - must cease.

4.5.5 It is recognised that many developing countries - even those with a permanent trade representation in Geneva - face an impossible task in keeping up with the meeting schedule that, by its very nature, favours richer countries with far larger representation. The capacity building programmes and trade negotiation training that have been offered through the Technical Co-operation Division of the WTO and through the WTO Training Institute are insufficiently country-specific or long-term to prepare developing country representatives adequately to engage in the WTO process. **DFID has an important role as a donor supporting trade policy capacity**

building and a full participatory evaluation of existing training provision should be undertaken as a priority.

4.5.6 At the same time there are capacity problems in many developing country capitals. In many cases there are simply not the resources available in government to assess and evaluate trade policy options and then instruct resident representatives in Geneva.

4.5.7 Linked to this is the fact that the SME voice in developing countries is not heard in national policy-making. **The perspective of small and medium enterprises (SMEs) is often lost in the debate on trade and development.** Many of IFAT's members are themselves SMEs and other members work to encourage the development of SMEs through the provision of business support services and through direct trading links which prioritise such enterprises. In many developing countries the SME sector is a significant employer, particularly amongst the poor. SMEs also provide one accessible route out of poverty. Various Fair Trade Organisations are working with SMEs in the South to help them strengthen their voice in domestic trade policy.

4.5.8 In many of the countries where IFAT members operate national strategies in trade negotiations - as in other central policy prescriptions such as poverty strategies - do not yet adequately represent the needs or interests of SMEs and so policies are adopted, and trade agreements signed, with no dialogue between national government and the SME sector as to the implications - for better or worse - to their businesses and the livelihoods dependent upon them. **A long-term programme of meaningful capacity building is needed to solve these disconnects, until which time the current WTO system will not cease to be unfair.**

5. THE PRACTICE OF BUSINESS

5.1 Corporate Social Responsibility

5.1.1 The reduction of poverty and making a real difference to disempowered people's lives is the explicit aim of Fair Trade. This characteristic distinguishes Fair Trade from other forms of corporate social responsibility (CSR), for example ethical trade which focuses on improving labour standards as its central objective, with its assumption of improving livelihoods as yet untested.

5.1.2 Fair Trade Organisations actively promote development in a number of ways. They encourage entrepreneurship and self-reliance by bringing capital back to small and family-run units. They encourage participative models of working. They promote rural development by providing the rural poor with an alternative to urban migration. Fair Trade is inextricably tied to and promotes women's development. Fair Trade Organisations see social responsibility as being central to the objectives and management function of their businesses, not an 'add-on' or part of a company's brand building, which is often how CSR is presented. **For trade to truly contribute to development the UK government should be examining the numerous claims made by companies that are in any way involved in CSR, in order to assess precisely how CSR is changing corporate performance - and impacting on livelihoods and the environment - throughout the global supply chain.**

5.1.3 The UN Universal Declaration on Human Rights and the International Labour Organisation's Core Conventions set out expected standards of behaviour that are internationally agreed. In most countries these internationally agreed standards have been enacted into national legislation. Many companies directly and indirectly continue to violate these agreed standards.

5.1.4 In addition the CSR debate in the UK remains dominated by EU companies and EU thinking, despite the fact that there is a growing body of knowledge about CSR in developing countries. **Given the multinational nature of the supply chains of many EU-based companies the government should, when reviewing any progress on CSR in the UK, facilitate the participation of CSR initiatives and the SME sector in developing countries.** This is particularly important in reviewing the establishment of corporate codes of practice, in order to

ensure that codes are mutually productive, culturally appropriate and are not simply another form of barrier to market entry for Southern businesses.

5.1.5 There needs to be much greater recognition by Northern companies that the decisions they make can greatly affect the lives of people on the other side of the world - for good or ill - through international supply chains, foreign direct investment etc. **Both governments and international bodies need to recognise the need for companies to take account of their social and environmental - as well as economic - impacts when making trading decisions.**

5.1.6 While the profile of CSR is growing around the world, it is important to remember that the vast majority of companies, especially SMEs, do not make any attempt to recognise their social and environmental impacts, especially in relation to supply chains in developing countries. The model of Fair Trade shows that social responsibility can go hand in hand with commercial viability and that listening to stakeholders can reduce a number of risks associated with operating in developing country environments.

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Endnotes

ⁱ The UK Fair Trade Leaders Forum is comprised of UK members of the International Federation for Alternative Trade (IFAT): British Association for Fair Trade Shops (BAFTS), Bishopston Trading Company, The Body Shop Foundation, Bookchair Company Ltd, Cafédirect Ltd, Day Chocolate Company, Equal Exchange Trading Ltd, One World Shop, Edinburgh, Oxfam Ireland, Oxfam GB, Shared Earth, Shared Interest, Traidcraft Plc, Traidcraft Exchange, Tropical Forest Products Ltd, Tropical Wholefoods/FM foods and TWIN Trading. It is a platform from which they speak both collectively and individually. For further information on IFAT see www.ifat.org.

ⁱⁱ This submission has been compiled by members of IFAT in the UK, together with the Fairtrade Foundation, which has observer status with IFAT.

ⁱⁱⁱ Fairtrade Foundation. See www.fairtrade.org.uk.

^{iv} Spilling the Beans on the Coffee Trade, Fairtrade Foundation (updated May 2002).

^v European Fair Trade Association. See www.eftafairtrade.org.

^{vi} WTO. See www.wto.org.

^{vii} The TPCF is organised by the DTI as a means of civil society engagement, to which members of the UK Trade Network (UKTN) are invited. The UKTN includes members of numerous NGOs interested in trade and development, including various Fair Trade organisations, notably the Fairtrade Foundation, IFAT and Traidcraft.

^{viii} The Cotonou Agreement will set the terms of trade between the EU and the ACP group of nations.

ANNEX 1.

This submission was prepared by the following UK members of IFAT:

British Association for Fair Trade Shops (BAFTS)

BAFTS is the network of independent Fair Trade or "World" shops across the UK. It was established in 1995 to promote Fair Trade retailing in the UK and as a voice for Fair Trade retailers; it provides contact and communication between Fair Trade shops. It is a full participating member of the Network of European World Shops (NEWS!). BAFTS is a democratically run membership organisation whose members are Fair Trade shops meeting the agreed criteria. It offers established criteria on which to base Fair Trade activity, development advice to shops, information including newsletters, leaflets and a directory of Fair Trade Importers and Producers, as well as networking opportunities at conferences and co-ordination for the UK annual European World Shops Day.

Day Chocolate Company

Founded in 1998, the Day Chocolate Company is a Fair Trade joint venture company owned by the Ghanaian cocoa growers cooperative, Kuapa Kokoo, Twin Trading Ltd, the Body Shop International, and supported by the UK charity Christian Aid. Its terms of trade involve partnerships with democratic and co-operative farmers' ventures, a minimum and remunerative price for the cocoa beans, a social premium paid on every tonne, trade credit and secure contracts. Its mission is to take a quality and affordable range of Fair Trade chocolate bars into the mainstream chocolate market.

Fairtrade Foundation

The Fairtrade Foundation exists to improve the position of poor and marginalised producers in the developing world by promoting fairer ways of trading. It is the UK member of Fairtrade Labelling Organisations International (FLO) which sets global standards with the participation of key stakeholders, including producer partners and commercial partners, and monitors them against those standards. We operate the Fairtrade Mark, build awareness of Fairtrade among consumers and promote research into and education about the impact of international trade and conditions of employment on poverty in the developing world. The Fairtrade Foundation has observer status with IFAT in the UK.

One World Shop

The One World Shop, Edinburgh, was founded in 1983. By practising Fair Trade, it aims to provide economic security and improve living and working standards of producer communities, as well as to act as a positive influence in the local community and raise awareness of Fair Trade among consumers. It has a second outlet in Glasgow. The One World Shop buys largely from Fair Trade importers but imports a small amount directly from craft producers. It is a member of the British Association for Fair Trade Shops (BAFTS) and works with them to raise awareness and campaign for Fair Trade by providing educational materials, background information on products, campaigns and related issues.

People Tree

British retailer People Tree Ltd is the UK arm of the Japan-based Fair Trade Company, based in Tokyo. It sells fashion goods, accessories and gifts according to the principles of paying fair wages to economically marginalised people in the developing world. It has a turnover of £4m and works with 250 groups in 20 countries focusing on capacity building work, with a special emphasis on design, product development, marketing support, credit support and market exposure.

Shared Interest

Shared Interest is a co-operative lending society which provides finance for fair trade. Over 8,500 individuals in the UK invest in Shared Interest providing a total share capital of £17.7m. Our main way of providing credit is through the Shared Interest /IFAT Clearing House, and our main lending product is short term trade credit. Membership of the Clearing House is open to members of IFAT who have satisfied our credit criteria. We currently work with 26 fair trade buyers and make payments to over 300 of the producer organisations that they work with. Directly we provide credit to 41 of these producer organisations, touching the lives of more than 50,000 people in the developing world.

Traidcraft comprises a trading company (Traidcraft Plc, turnover c£11m) and a capacity building NGO (Traidcraft Exchange, turnover c£2m), committed to fighting poverty through trade. In addition to its fair trading activity, Traidcraft also works closely with a number of regional partner organisations, which include Business Consult Africa (Malawi), Kenya Gatsby Trust (Kenya), AMKA (Tanzania), IRFT (India), ECOTA (Bangladesh) and APFTI (Philippines). Together these represent 550 marginalised producer groups employing nearly 200,000 workers.