

# STUDY: FAIRTRADE AND RURAL DEVELOPEMENT FACT SHEET



## 5 YEARS LATER: A FOLLOW-UP STUDY BY CEVAL

The CEval follow-up study from 2018 was able to collect data on fair trade that hadn't been available before: the long-term rural development of small producer organisations and plantations.

Over a period of 5 years the researchers were able to prove that Fairtrade supports farmers by stabilising their economic situation and by raising awareness of environmentally friendly cultivation. The study also shows that climate change is a threat to small-scale farming.

OVER 5 YEARS...  
...FAIRTRADE  
HELPED PRODUCERS  
TO ACHIEVE  
MORE STABILITY  
IN TIMES OF CRISIS.



...TRAINING  
OPPORTUNITIES  
FOR FAIRTRADE  
PRODUCERS WERE  
FURTHER DEVELOPED.



...THE IMPACT OF  
CLIMATE CHANGE  
HAS  
INCREASED  
SERIOULSY.



## METHODOLOGY:

The CEval research team chose a comparative design: Fairtrade producer organisations were contrasted against counterfactual setups. Findings were based primarily on qualitative data and participatory observations:

- **89 Focus Group Discussions**
- **70 key informant interviews** with representatives at management level
- **57 key informant interviews** with community representatives
- **19 interviews** with workers or farmer representatives
- **8 explorative interviews** with national and international staff of Fairtrade

- **12 participatory observations**

A new element of the follow up study is the integration of participatory observations with farmers and workers, to record ratings of their economic, social, and environmental perceptions.

[fairtrade.net/impact-research.html](http://fairtrade.net/impact-research.html)

## RESEARCH AREAS:

**ECONOMIC**  
INCOME  
INCOME DIVERSIFICATION  
ACCESS TO FINANCIAL SERVICES  
VULNERABILITY  
INFRASTRUCTURE

**SOCIAL**  
WORKERS' RIGHTS  
EDUCATION  
GENDER EQUALITY  
HEALTH AND SAFETY  
PARTICIPATION

**ENVIRONMENT**  
RESOURCE MANAGEMENT  
SOIL AND WATER PROTECTION  
MAINTAINING BIODIVERSITY

## 6 CASE STUDIES ON 3 CONTINENTS

The case studies were chosen so that representative statements about typical producer organisations in the Fairtrade system could be made:

- **Plantations** are large operations with employees. Flower farms in Kenya and tea plantations in India were chosen.
- **Cooperatives** are democratic organisations of small scale farmers who work their own land. Banana and coffee cooperatives in Peru were chosen, in addition to a cocoa cooperative in Ghana.
- **Contract Producer Organisation** refers to small scale producers who are not yet organised in a cooperative, but who supply a long-term contractual partner. The Fairtrade case study analysed farmers in India who were about to transform their organisation into a cooperative.

# CONCLUSION

## FLOWERS IN KENYA

- After 5 years the Fairtrade-certified flower farm still invests the majority of its Fairtrade premium into **education projects**.
- Workers' wages at the flower farm have increased and are above the national minimum wage. However, employees still find it difficult to **cover their costs of living**.
- Workers of the Fairtrade flower farm are well informed about **their rights** and the majority are union members. Employees value the **influence of unions** to improve industrial relations and workers' rights.

## COFFEE IN PERU

- In 2012/2013 the "La Roya" fungus destroyed 50-80% of the coffee plants in the research area and led to a **significant amount of debt** for the farmers.
- The Fairtrade cooperative was additionally **weakened** by a decrease in price on the coffee market, among other factors.
- The Fairtrade cooperative seems to **overcome the crisis**, though.
- Conventional producers suffered bigger economic harm, and migration to the cities has risen sharply. Many non-Fairtrade-certified cooperatives didn't survive the crisis or disintegrated.
- Non-Fairtrade-certified producers increasingly used cultivation methods harmful to the environment.

## COTTON IN INDIA

- Within the last five years, the economic situation improved more for Fairtrade producers than for the comparison group.
- The Fairtrade-certified organisation dedicated itself to **organic production** from the beginning, which enabled higher prices for its members, and kept them **independent from genetically modified seeds** from multinational companies.
- Conventional producers complained about exploitation and price volatility when selling on local markets.
- They also stated that exploitative **child labour** is common throughout harvest season. This was not the case with the Fairtrade-certified producer organisation.
- The Fairtrade cooperative invests in improved water management.

## COCOA IN GHANA

- In the last 5 years the economic situation of Fairtrade farmers has improved.
- Both Fairtrade and non-Fairtrade producers need to modernise their cocoa farms.
- Fairtrade producers benefit from a **wide range of training programmes**, such as training on sustainable farming practices, diversification of income sources, and occupational safety. Conventional farmers only have sporadic access to public training programmes.
- Children of cocoa farmers strive for **higher education** and increasingly turn away from agriculture.

## BANANAS IN PERU

- Through Fairtrade, 2 of 4 Fairtrade cooperatives have developed into **strong, resilient organisations**.
- Cooperatives without Fairtrade certification lack the capacities to support their members in emergency situations. They rely on help from the authorities, which reaches them only sporadically.
- Fairtrade cooperatives are developing into important actors to kick-start rural development, and **increasingly enter partnerships** with other stakeholders.
- Children of Fairtrade producers strive for **university degrees** and turn away from agriculture.
- The effects of **climate change** are evident and will increasingly affect farmers' harvests.

## TEA IN INDIA

Tea is the only case study without a non-Fairtrade-certified plantation as a comparison group. Due to political instability in the region and scepticism towards the researchers, it was impossible to find a counterfactual plantation with Fairtrade certification.

- The result of the case study confirms the well-known issue that pickers receive **insufficient income** because of legal frameworks and other factors. Fairtrade is not able to make a sufficient impact to address this.
- Participation and influence of tea workers in Fairtrade committees have increased further. Women are represented in equal numbers as men.

Photo: Fairtrade ANZ / Sandra Mendez

Photo: Sean Hawkey