



Fair trade and FWF: Kindred efforts working towards a common goal

FWF and Fair Trade differ in some significant ways. Yet these differences – combined with shared core values – are what make the two approaches complementary.

It is not uncommon for people to ask online and at public events ‘How is Fair Wear Foundation different from Fair Trade?’ or ‘Is FWF the same thing as Fair Trade?’ While it is valuable to recognise the distinctions between these approaches, it is also important to recognise how much they have in common. In fact, it may be consumers’ recognition of the common goal we share at our core – i.e. fair treatment for the people who make the goods we use – that leads them to ask this question.

FWF has always had a close working relationship with Fair Trade organisations: fair traders sit on our board and are involved in our multi-stakeholder efforts at the local level. And, as both FWF and Fair Trade mature, we are finding new opportunities to work together. So the response to such questions is: FWF and Fair Trade differ in some significant ways. Yet these differences – combined with shared core values – are what make the two approaches complementary.

What FWF and Fair Trade have in common

As the names ‘Fair Trade’ and ‘Fair Wear Foundation’ indicate, we have in common a vision of a global market where participants are treated fairly. Fair Trade ensures that small producers get a fair deal for the products they grow (e.g. a small coffee farmer dealing with a large multi-national corporation), while FWF focuses on fairness for workers in the garment industry where downward pressures on prices have been undercutting wages and working conditions for decades.

As identified by World Fair Trade Organization (WFTO) and the Fairtrade Labelling Organizations International (FLO) in the Charter of Fair Trade Principles, the principles of Fair Trade include:

- Market access for marginalised producers
- Sustainable and equitable trading relationships
- Capacity building & empowerment
- Consumer awareness raising & advocacy
- Fair trade as a “social contract”

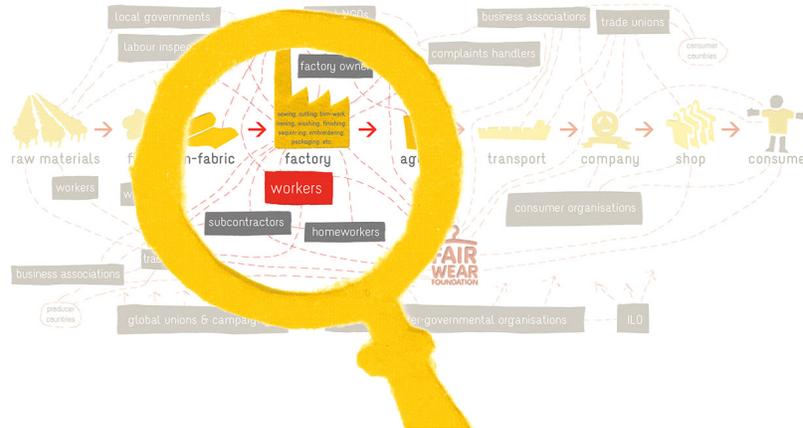
As the names ‘Fair Trade’ and ‘Fair Wear Foundation’ indicate, we have in common a vision of a global market where participants are treated fairly.

These principles largely correspond with FWF’s approach. Fair Trade organizations also support international labour standards, which form the basis of FWF’s Code of Labour Practices. Furthermore Fair Trade and FWF share principles like accountability and transparency. Indeed, there are aspects of FWF’s work (e.g. its publication of management system reviews of FWF members each year) that fair traders have identified as practices that they can learn from.



Then why make the distinction between FWF and Fair Trade?

Yet, despite these common values, FWF remains distinct from Fair Trade. FWF focuses on holding brands accountable for conditions where their products are sewn (as well as cut, washed, trimmed, packaged, etc.), known as CMT. Fair Trade, by contrast, focuses on the other end of the supply chain, addressing poverty among small producers in the developing world. A large portion of Fair Trade focuses on commodities (e.g. coffee, tea, cocoa, and cotton), which bear the Fairtrade Certification Mark, a registered trademark of FLO.



Fair Trade generally deals with small producers down the supply chain in developing countries, while FWF focuses on brand accountability and workers in factories up the supply chain.

In the context of garment production, this means that Fairtrade certification focuses on the cotton used in a product, while FWF focuses on the factories and companies making the clothing most consumers wear and the textile products we use in our homes. It is also worth noting that FLO affiliates certify the products made through Fair Trade practices; it does not certify companies. FWF, by contrast, focuses on the companies and the systems they have in place to ensure good working conditions where their products are made. (FWF does not, however, engage in certification at any level of the supply chain.)

Of course, not all Fair Trade is limited to commodities; some of the first Fair Trade efforts globally focused on artisan products, such as jewellery, home decorations, and even garments. But such goods tend to be produced by hand in developing countries using production techniques developed by, or indigenous to, a particular community. Such production chains differ significantly from the mainstream garment supply chains addressed by FWF. (To learn more about Fair Trade artisans and alternative trade models, access WFTO or Fair Trade Federation.)

With all of this in mind, it seems the feature that most distinguishes these two efforts is also what enhances their complementarity: Fair Trade generally deals with small producers down the supply chain in developing countries, while FWF focuses on brand accountability and workers in factories up the supply chain.



Other notable differences

Understanding where these models focus helps explain some of the other differences between them, as well. For instance, with regard to labour standards, FWF's Code of Labour Practices is based strictly on ILO labour standards, i.e. those that protect workers in manufacturing. Fair Trade standards, on the other hand, were initially designed for agricultural small holders, where family members are often involved in harvests, etc. It is for this reason that Fair Trade standards do not align directly with FWF's Code of Labour Practice with regard to working age and working hours, for example.

A similar distinction arises with regard to each system's approach to fair remuneration. Since Fair Trade has historically focused on relationships between trading partners – where a smallholder is selling her/his harvest – it has developed systems for setting a 'fair price'. By contrast, FWF focuses on workers, i.e. individuals paid for their hours of work. So its approach to fair remuneration is through a 'living wage'.

Differences that make collaboration worthwhile

What's clear is that the distinctions between FWF and Fair Trade are linked to their history and to where they focus in the production chain. Against the backdrop of shared values, these distinctions are also what make the models complementary and ripe for shared learning and exchange. For example, as FWF calls upon companies to pay factories a price that allows them to pay fair wages, it looks to Fair Trade for potential models that companies can learn from. Similarly, as fair traders look to expand their coverage of products, they look to learn from FWF and others doing work in the manufacturing sector.

... FWF is preparing to engage in a pilot project with Fairtrade Labelling Organizations International (FLO) ... such collaboration offers the potential of expanding the reach of fairness in supply chains.

With this in mind, FWF is preparing to engage in a pilot project with Fairtrade Labelling Organizations International (FLO) to share learning and explore possibilities for combining efforts in the future. While the pilot has yet to begin, such collaboration offers the potential of expanding the reach of fairness in supply chains. Watch this space for more news about this groundbreaking partnership.