



FAIRTRADE  
INTERNATIONAL

## Study At-a-Glance

# A Fair Price for Human Rights Due Diligence

## Introduction

Human rights underpinning Fairtrade's vision of a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future. This study seeks to find out the extent to which Fairtrade's interventions reduce human rights harms in global supply chains and can contribute to the Human Rights Due Diligence of companies. These interventions include the Fairtrade Minimum Price, Fairtrade Premium training for producers, standards, development projects and advocacy work.

Fairtrade commissioned the Vrije Universiteit Amsterdam and DIMES Consultancy to undertake the study. The researchers used 'outcome harvesting', a methodology recognized by the UN Development Programme and the World Bank for use in complex environments, in which researchers work backward from evidence of change via six stages of research, interviews and analysis to determine whether and how an intervention contributed to the changes.

Out of 102 initial outcomes identified, 29 outcomes were selected through a participatory process with the researchers, Fairtrade International, the Fairtrade producer networks CLAC (Latin America/Caribbean region) and Fairtrade Africa, and other stakeholders.

Twenty-nine producer organizations representing two products and three countries participated in the study: coffee producer organizations from Ethiopia (7) and Colombia (5), and banana producer organizations from Dominican Republic (11) and Colombia (6). The researchers analysed 70 documents, and conducted 105 individual and group interviews and 9 workshops.

To allow for in-depth analysis, this study focused on outcomes within five human rights domains:

- Living wage / living income
- Working conditions (including grievance policies and seasonal / migrant workers' rights)
- Freedom of association (including the right to form and join trade unions)
- Child labour and forced labour
- Discrimination and women's rights

**“If there is Fairtrade, there is change”**

Female worker on a plantation in Dominican Republic

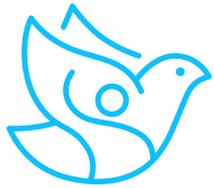


# Key study findings



**The Fairtrade Minimum Price and Premium have had notable impacts towards decent standards of living, which are fundamental to achieving other rights.** The study finds that the Fairtrade Minimum Price prevents some of the negative human rights impacts related to lower prices and price fluctuations, while the Fairtrade Premium contributes to a higher standard of living. An overall higher standard of living advance the fulfillment of other rights, including education and health. Specifically, the decision-making power that farmers and workers have on the spending of the Premium

plays an important, empowering role. Other human rights impacts varied by country and product, which the researchers attribute in part to Fairtrade interventions being "highly contextualized and tailored to specific vulnerabilities" in each context. For instance, Fairtrade improves working conditions on banana plantations in the Dominican Republic, and provides added stability and security to banana workers in Colombia. Fairtrade also was reported to have contributed to increased awareness and some action on women's equality and child labour.



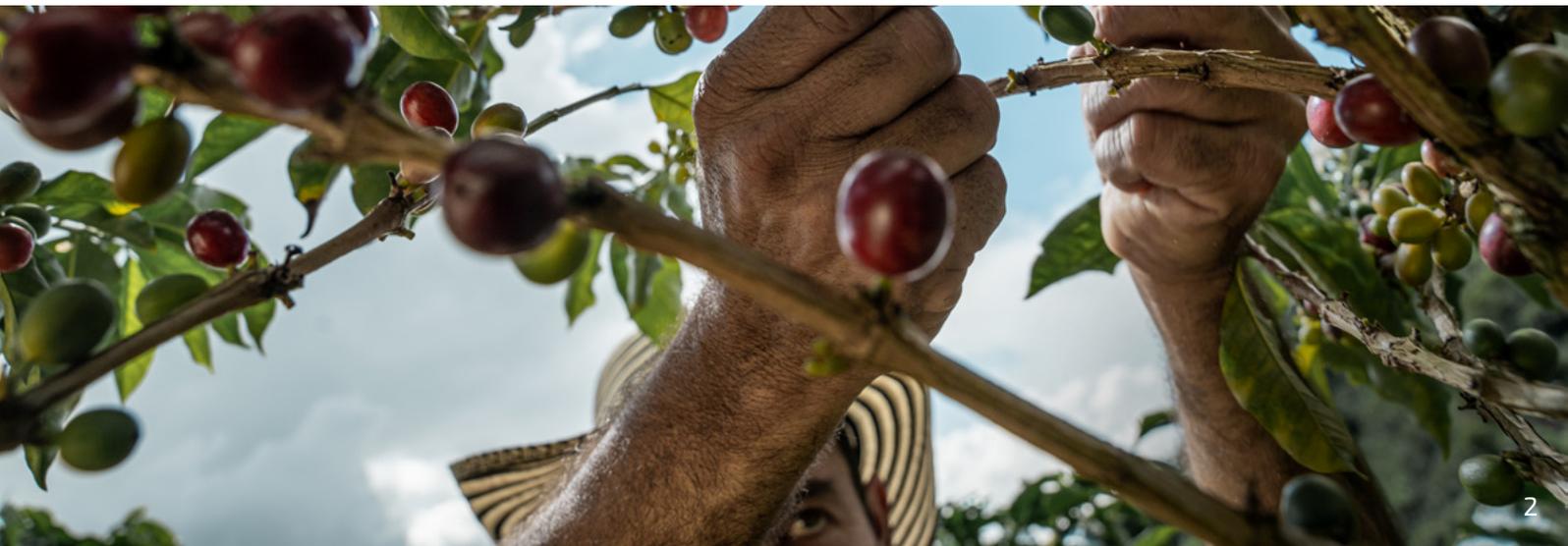
**The Fairtrade Standards have the potential to deepen the respect for human rights in global supply chains.** The Standards are reviewed and revised regularly through processes that include producer consultations, which raises the effectiveness of the Standards and has the ability to increase their focus on the

people most vulnerable to human rights violations in different sectors. Still, while the strengthening of economic and social rights can contribute to the strengthening of political and civil rights, the national and cultural context will always be a strong determinant of how much influence any actor can have in the civil and political space.



**Fairtrade has a role to play in Human Rights Due Diligence processes as a partner.** The study finds that Fairtrade staff across the world are very well informed on the salient human rights issues in different regions, and often have long-lasting relations with producers and other stakeholders. Fairtrade is therefore in a good position to bring insights on risks and the voice of producers to the table as a partner in corporate risk identification and assessments, and as a starting point for

'meaningful HRDD'. Fairtrade can contribute to the six steps of companies' HRDD processes, especially in identifying and assessing adverse impacts (step 2), preventing or mitigating adverse impacts, including the risk that companies 'cut and run' after adverse human rights impacts are identified (step 3), and tracking implementation and results (step 4). However, it must be avoided that Fairtrade – and certifications in general – take on responsibilities that rightly belong to companies.



# Learnings and recommendations

**Structural power imbalances remain.** Fairtrade's favourable impacts on human rights are limited by unequal power relations in supply chains, violations or political or civil rights, culture (machismo, patriarchy) or policies and laws of the country. Moreover many of the unequal power relations in supply chains, are linked to violations of political or civil rights, culture (machismo, patriarchy) or policies and laws of the country. In particular, the study notes that Fairtrade's impact on gender equality and, to a lesser extent, child labour is limited by socio-cultural factors and developments in the wider society and economic system.

**In the case of hired labour in the banana sector in the Dominican Republic, Fairtrade Standards slowly help to push labour and human rights compliance forward.** A century of Haitian labour migration to the neighboring Dominican Republic has produced little integration

with the host society and working conditions continue to be deficient. While the Fairtrade Premium and trainings make a difference, also for migrant workers, the impact of Fairtrade on power relations is limited, as the marginalized migrant workers, which represent 80 percent of the workforce, are grossly disadvantaged.

**Fairtrade can amplify the voice of producers when advocating for fairer HRDD laws.** Fairtrade works within national contexts but also actively seeks to influence them, by engaging in partnerships, awareness raising, policy dialogue and advocating for fairer laws so that states increasingly fulfill their human rights and environmental duties. An example is Fairtrade's advocacy work on the European Union directive on Corporate Sustainability Due Diligence (and discussion at member state levels) which will significantly guide the adoption of HRDD into corporate policies and management systems.

## Fairtrade's Response

We welcome the findings that Fairtrade Standards, training, programmes and advocacy – in various settings – have advanced human rights, especially in the areas of social and economic rights. We also accept that in other areas Fairtrade has not resulted in such significant human rights advancement – such as in women's rights and the power imbalance faced by migrant workers – because we have often had less influence than we seek on public policies, discriminatory traditions and power relations in societies and global supply chains. We welcome the study's recommendations to prioritize advocacy and partnerships, which are integral parts of the latest Fairtrade strategy, to achieve human rights advancements.

As companies are increasingly called on to conduct human rights due diligence within their own supply chains, our deep understanding of local contexts through Fairtrade producer networks in Africa, Asia and Latin America makes Fairtrade a valuable partner in human rights due diligence processes. Finally, we echo the message farmers and workers cannot bear the costs of due diligence alone: for HRDD to really reduce human rights violations, costs must be borne fairly among all supply chain actors.

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