



POLITICAL DEMANDS

of Fairtrade Germany

June 2021



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List of abbreviations

BMAS	Federal Ministry Labour and Social Affairs
BMEL -	Federal Ministry for Food and Agriculture
BMZ -	Federal Ministry for Economic Cooperation and Development
DC -	Development cooperation
FAO -	Food and Agriculture Organization of the United Nations
HREDD -	Human Rights and Environmental Due Diligence
ILO -	International Labor Organization of the United Nations
MSPs -	Multi-Stakeholder Partnerships
SDG -	United Nations Global Sustainable Development Goals
UN -	United Nations
UNDROP -	UN Declaration on the Rights of Peasants and Other People Working in Rural Areas
VENRO -	Umbrella organisation of development and humanitarian non-governmental organisations (NGOs) in Germany

Preamble

Fairtrade Germany e.V.

For 50 years the Fair Trade movement in Germany has been fighting for a structural change in world trade, since 1992 with the support of Fairtrade Germany e.V. By granting the Fairtrade mark, through direct cooperation with committed companies as well as campaign and public relations work together with a large number of state and civic actors, Fairtrade creates both greater awareness of global relationships and the effects of conventional world trade, as well as specific impact on the ground for now over 1.7 million small-scale farmers and workers in countries disadvantaged by unfair global trade structures in Africa, Asia and Latin America. Fairtrade shows alternatives to the existing trade policies and practices, which are often based on exploitation and environmental destruction, and directly contributes to improving the living and working conditions of economically disadvantaged people in these countries through concrete measures.

Political work in the current context

The Fair Trade Movement with its broad civic base is increasingly being perceived by policymakers as a political voice. As a voluntary approach, Fairtrade supplements existing laws, but at the same time calls for the further development of the legal framework. Accordingly, Fairtrade Germany has articulated political demands on given occasions since its inception and formulated these for the first time in 2017 in a coherent and binding framework for its own work. The demands are based on the global sustainability goals adopted by the United Nations in 2015, the *Sustainable Development Goals* (SDGs, or also referred to as the *2030 Agenda*), which Germany has also committed to implementing as part of the German sustainability strategy. As part of the 2021-2025 Fairtrade strategy, the mandate for political advocacy and lobbying for Fairtrade was further strengthened and anchored as a field of action. The goal is to reflect the increased relevance of fair trade and the international Fairtrade system in recent years, in particular its intensified political and development policy work, more clearly and in a more up-to-date way.

The sometimes heated debates of recent years show the urgency of political changes for sustainable development: Whether it is the Fridays for Future movement and the already increasingly clear threat to the livelihoods of agricultural activities, especially in (by unfair global trade structures) disadvantaged countries (keyword climate justice), the question of effective regulation of the human rights and environmental due diligence obligations of companies (keyword supply chain law), the rights of small-scale farmers (keyword UN Declaration on the Rights of Peasants), a legal prevention of child labour or deforestation in countries of the global south or the design of international trade agreements – fair trade plays a role in these issues and it is in Fairtrade's original interest to take a political stance.

Last but not least, the COVID 19 pandemic since 2020 has highlighted and magnified the susceptibility of existing global supply chains and the vulnerability in particular of producers in the countries disadvantaged by unfair global trade structures. Fair trade has proven itself to be a community of solidarity and has provided emergency aid and support in many ways, but it does not solve the underlying problems of the world's trading system. Therefore, Fairtrade, together with the Fair Trade Movement, is calling for a fair restart of the economy.

Objective of this document

This updated policy document classifies the political work of Fairtrade Germany, and answers the questions of partners and interested parties as to why, how and on which topics the association implements political work and which political demands Fairtrade Germany wants to advance. Due to the division of labour within the Fairtrade family, these are aimed exclusively at German and European political actors, as the producer networks are already addressing the demands of the Fairtrade producers and workers with the governments of their respective countries, and Fairtrade International is addressing the demands of the whole system with global organisations such as the UN and its sub-organisations.

This paper is not a repetition of the existing demands on the part of FTAO (Fair Trade Advocacy Office), VENRO (Umbrella organisation of development and humanitarian non-governmental organisations (NGOs) in Germany or positions of Fairtrade Germany's member organisations on fair trade and world trade structures, but rather articulates those that are specifically relevant for Fairtrade Germany. The demands paper thus serves as a basis for

the policy work of Fairtrade Germany. This will help clarify the association's position and better integrate Fairtrade in the areas of sustainability, human rights and development cooperation (DC). The paper is generally supported by Fairtrade Germany's member organisations and thus provides a framework for cooperation for joint policy work over the next years. Ultimately, the paper is intended to offer points of contact and interfaces for cooperation with other fair trade and civic organisations and institutions, as well as to serve as a guideline for complementary calls to consumers and offers to businesses in order to achieve the full potential of the goals.

I. Why does Fairtrade engage in political advocacy work?

As part of the global Fair Trade Movement, Fairtrade strives for a world in which trade structures and practices are based on justice, equality and sustainable development so that all people can maintain a decent and dignified livelihood through their work and develop their full potential. The basis for Fairtrade's political work is the belief that the structures and practices of business and trade have a decisive impact on whether sustainable development is possible. Recent decades have shown that the voluntary commitment of civil society, consumers, individual companies and politicians can achieve a great deal, but this alone is not enough¹ to implement the urgently needed global socio-ecological transformation – because the existing structures are shaped by a large number of regulatory framework conditions, including questions of tax legislation, competition law, trade agreements, and many more. → **Fairtrade advocates for changes in the regulatory framework conditions towards more fairness** because this is a decisive factor in whether (world) trade promotes or hinders sustainable development.

So far, a business model has prevailed that is characterised by one-sided power structures that promote exploitation and environmental destruction and perpetuate inequalities. Those who accept negative repercussions on human rights and the environment can produce more cheaply. Companies that already voluntarily fulfil their duty to respect and promote human rights and environmental protection, including many Fairtrade partner companies², are therefore at a disadvantage to competitors who do not. → **Fairtrade advocates that, based on the values and principles of fair trade,³ generally binding laws and ordinances are enacted.**

It is the statutory mandate of Fairtrade Germany to **give a voice to economically disadvantaged farmers and workers in countries of the global south**. Fairtrade Germany acts as a member of Fairtrade International, whose decision-making structures are 50% determined by representatives of the producers. The need and urgency for fair trade on the part of the global south is particularly pronounced: Power imbalances in global trade – often the legacy of colonial structures –, non-transparent supply chains, a lack of local regulations or weak enforcement mechanisms on the ground regularly lead to serious human rights violations and environmental damage in many countries. But the structures of world trade also lead to negative effects in all other countries, such as the violation of labour rights in vegetable and fruit-growing operations in various European countries. → **Through its policy work, Fairtrade advocates for changing the practices and structures of conventional (world) trade in order to protect all human rights within planetary boundaries⁴.**

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1 Bähge, Sandra: Does fair trade change society? Ed. CEval, Centre for Evaluation GmbH of the University of Saarbrücken 2015

2 Fairtrade acknowledges that some partner companies are also causing the problems described by taking advantage of the lack of legal frameworks or the inadequate implementation thereof. A partnership with Fairtrade in individual supply chains does not relieve companies of their individual responsibility for all business areas, nor can it be used to prevent necessary improvements in the regulatory framework.

3 See The International Fair Trade Charter <https://www.fair-trade.website/the-charter-1> accessed 22 March 2021.

4 The ecological limits of the Earth are so-called planetary boundaries, the crossing of which endangers the stability of the ecosystem and the livelihoods of humankind. See Kate Raworth, The Donut Economy, 2018

II. What Fairtrade demands

1. Guiding principles

(1) Human rights must be realised worldwide

The Fairtrade approach and standards have been based on human rights from the start.⁵ Fairtrade is committed to human rights⁶ and has clear demands for human rights due diligence⁷, which are continuously being substantiated. Based on the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights (ICCPR, "UN Civil Pact") as well as the International Covenant on Economic, Social and Cultural Rights (ICESCR, "UN Social Pact"), Fairtrade welcomes the further development of recognised human rights through the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, "Women's Convention"), the Convention on the Rights of the Child (CRC, "Child's Convention") and especially the Declaration on the Protection of the Rights of Peasants and Other People Working in Rural Areas (UNDROP)⁸, for which Fairtrade Germany campaigned for ratification and whose implementation Fairtrade Germany will continue to support as part of its commitment to strengthening small-scale farmers. As Fairtrade's particular focus is on securing **living wages and incomes**, Fairtrade advocates not only **for recognising these as a human right in themselves, but also for recognising their current de facto importance in many parts of the world both as a fundamental requirement and as a tool for achieving other human rights and many of the SDGs**.

Fairtrade demands that countries and companies not only implement their duty to protect or respect human rights, but also that trade and business actively contribute to the realisation of all human rights, with special attention to the rights of children and to gender equality. Workers' rights, such as the full implementation of the ILO core labour standards and the realisation of the right to self-determination, are aspects that Fairtrade promotes as a human rights-based approach through the standards and additional projects.

To safeguard the human rights of future generations as well, Fairtrade Germany advocates for trade and economic practices that conserve natural resources. Particularly noteworthy are the fight against the climate crisis and the loss of biodiversity. Both are drastically restricting agricultural production and thus increasingly impacting the livelihood of many small-scale farming families and workers around the world.

(2) "Sustainability" must always include fairness

By signing the Global Sustainable Development Goals (SDGs), almost all countries have committed to promoting sustainability. However, Fairtrade is convinced that supply chains can only be sustainable if a fair distribution of profits and risks is ensured along the value and trade chains. Only this enables the implementation and protection of human rights and the environment on the ground, as well as investments in sustainable development. Therefore, it is **essential to consider sustainability in terms of ecological, social, economic and cultural dimensions** and require all supply chain partners to be transparent and accountable for their actions. This requires reviewing the frameworks of global trade, such as bilateral trade agreements. Political framework conditions in importing countries as well as in exporting countries must ensure compliance with fair trade principles as well as with human rights and environmental protection. In the future, tax legislation, competition law and many other legal areas must **demand and promote sustainability in a targeted manner and prevent unfair trading practices**. **Fairness towards people and the environment along the entire supply chain must be taken into account in all policy areas!**

(3) Real costs have to be priced in

Fairtrade advocates for an understanding in politics, business and science that the price of a product must reflect not only its sensory and product-specific qualities, but also the sustainability of the manufacturing conditions, including living wages and incomes of producers along the supply chain. Currently, the external costs of

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5 Q&A Fairtrade and Human Rights: https://www.fairtrade-deutschland.de/fileadmin/DE/mediathek/pdf/fairtrade_fact-sheet_qa_fairtrade_und_menschenrechte_final.pdf, accessed 22 March 2021

6 https://www.fairtrade-deutschland.de/fileadmin/DE/mediathek/pdf/Fairtrade-Human-Rights-Commitment_Deutsch.pdf accessed 22 March 2021

7 https://www.fairtrade-deutschland.de/fileadmin/DE/mediathek/pdf/Fairtrade-Human-Rights-Due-Diligence-Vision-September2020_Deutsch.pdf, accessed 22 March 2021

8 <https://www.geneva-academy.ch/joomlatools-files/docman-files/The%20Implementation%20of%20the%20UN%20Declaration%20on%20the%20rights%20of%20peasants%20and%20other%20people%20w.pdf>, accessed 22 March 2021

unsustainable production methods are passed on to people and the environment and appear almost nowhere on the price tag of the products on the shelf. This creates a competition about who can exploit people and the environment most effectively and who can best circumvent financial responsibility.

However, competition can only be considered fair if it is conducted based on “true costs”. Fairtrade minimum prices are a concrete approach to mapping the costs of sustainable production, which should be included in pricing. In addition, Fairtrade has a living income strategy⁹, and as a member of the *Living Wage Coalition* it advances the topic of living wages and diverse alliances for living incomes. It is imperative that the tax and financial system be based on such sustainability aspects, e.g. by adapting calculations (life cycle calculations) or **taxes that encourage sustainable consumption and production.** The government must also lead by example, e.g. through **binding sustainability criteria in public procurement.**

2. Specific requirements with regard to the Global Sustainable Development Goals /SDGs:

In the following, Fairtrade Germany presents its specific political demands regarding the SDGs most relevant to fair trade. The focus of Fairtrade is on a fair trade policy which is especially geared towards farmers and workers in countries disadvantaged by unfair trade structures (pro-poor approach) and in particular supports small-scale farming families and workers in coping with climate change.

Wherever necessary, Fairtrade is clearly in favour of regulation and generally calls for good government and administrative action. As a cross-cutting requirement for all topics, Fairtrade therefore calls for

- a) all government action to be coherently aligned with sustainable development goals,
- b) to analyse the consequences – especially for the economically weakest people and for the climate and the environment – in advance of any measures, and to reduce the related risks.

Combating poverty (SDG 1)

Extreme social inequality and a lack of access to resources (such as education, land or investment capital) are the main drivers of poverty. In order to fight poverty, Fairtrade advocates that all forms of trade be fair and all forms of agriculture sustainable, because this is the only way to prevent poverty for future generations. The special focus of Fairtrade, however, is on the small-scale farming families and workers in disadvantaged countries who, through no fault of their own, find themselves in a situation in which they have to enter into unfair trading conditions or exploitative working conditions. Because of historically evolved production and trade structures, small-scale farmers often have to sell under poor conditions – or not at all if they cannot find buyers for their goods – and workers have to take on underpaid jobs or migrate. A lack of resources prevents investments in diversification or production improvements that could create new prospects in the region. Climate change, to which their contribution has been minimal, exacerbates local crises because producers are often not adequately prepared for the dramatically deteriorating crop cultivation conditions and find it difficult to adapt.

Fairtrade Germany demands from the German government:

- that instruments be developed in order to review and, if necessary, reject all legal/regulatory and subsidy decisions with regard to their human rights, social and ecological consequences, also with regard to third countries and their coherence with global sustainability goals. that all decisions must pursue both a poverty-reducing approach and serve climate-friendliness.
- The German sustainability strategy must pursue this in a targeted and emphatic manner and, if necessary, be expanded to include a human rights, social and ecological impact assessment.

Fairtrade Germany demands from the ministries:

- The Federal Ministry for Economic Cooperation and Development (BMZ) must work together with other specialist ministries within the German government – in particular the economic, agricultural and environmental departments – to ensure that measures to promote fair trade structures and social security for small-scale farmers in the countries disadvantaged by unfair global trade are expanded.

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⁹ <https://www.fairtrade.net/issue/living-income>, accessed 22 March 2021

Fighting hunger through sustainable agriculture (SDG 2)

Farmers on small-scale or family farms account for around 70 percent of the food production in disadvantaged countries.¹⁰ They produce food under increasingly difficult conditions and are impacted by the effects of climate change¹¹, limited access to land and the political discrimination compared to large farming companies¹² as well as partly through the current development cooperation. They also suffer from extreme, often speculative price fluctuations for their products, which are one of the reasons why conventional trade does not provide them with a sustainable livelihood. It is essential for survival that small-scale farmers can rely on a stable income in order to invest in their businesses and achieve long-term food sovereignty for their families and villages, but also for the general population in rural areas. According to the FAO (Food and Agriculture Organization of the United Nations), under the right conditions and sustainable application¹³ small-scale agriculture can make an important contribution to fighting hunger worldwide. For these reasons, too, UNDROP calls for the special protection of small-scale farmers around the world.

Fairtrade Germany demands from the German government and the EU:

- Agriculture must be thought of within a global context and in all dimensions of sustainability – based on true costs, within planetary boundaries and with special consideration of vulnerable groups.
 - The concept of agroecology should be given more support.
- On the way, there must be fair action, i.e. in particular non-discriminatory with regard to small-scale agriculture. That means that small farmers
 - must be protected where others abuse their power or structural advantages,
 - must be promoted and supported where this form of agriculture makes sense and
 - must be compensated and offered adaptation measures where protection and support are no longer possible.
- The aim of the regulatory framework and the use of market forces must be to enable small-scale farming families to have living income and stable prices, and to ensure that all workers in agricultural supply chains have living wages.
 - The EU and the German government should also apply this as part of their influence on the partner governments in countries disadvantaged by unfair trade practices and support them in this process.
- In climate, environmental, developmental, agricultural, economic and trade policy, the special role and situation of small-scale agriculture in disadvantaged countries must be taken into account and the voice of the producers must be heard through structural representation.

Expansion of education and training for sustainable development (SDG 4)

Fairtrade Germany welcomes the continuation of the adopted world action programme “Education for Sustainable Development” (ESD) (2015-2019) in the UNESCO programme “ESD for 2030”¹⁴ and ascribes a decisive role to this in the achievement of SDG 4, in particular SDG 4.7.¹⁵

Education as a key element for sustainable development should receive greater emphasis when supporting disadvantaged countries. Education has long-term positive effects and should be understood as an “investment” in education.

Fairtrade Germany demands from the federal and state governments:

- ESD must be permanently and structurally anchored in all school and extracurricular areas of education

10 <http://www.welthungerhilfe.de/kleinbauern.html>. accessed 22 March 2021

11 More on this at <https://www.fairtrade-deutschland.de/was-ist-fairtrade/arbeitschwerpunkte/klimawandel.html>. accessed 22 March 2021

12 Small-scale farming cooperatives, for example, are not viewed as creditworthy per se in many countries, which severely limits development opportunities

13 International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD): Synthesis Report with Executive Summary: A Synthesis of the Global and Sub-Global IAASTD Reports 2009 published by Island Press, Washington DC;

<http://www.weltagrabericht.de/fileadmin/files/weltagrabericht/IAASTDBerichte/IAASTDSyntheseDeutsch.pdf>. accessed 22 March 2021

14 <https://www.unesco.de/bildung/bildung-fuer-nachhaltige-entwicklung/unesco-programm-bne-2030>. Accessed 22 March 2021

15 According to target 4.7 it should be ensured by 2030 “that all learners acquire the necessary knowledge and qualifications to promote sustainable development, including through education for sustainable development and sustainable lifestyles, human rights, gender equality, a culture of peace and non-violence, global citizenship and the appreciation of cultural diversity and the contribution of culture to sustainable development” (Minutes of the United Nations General Assembly, 70th session, agenda items 15 and 116, of 18 September 2015; <http://www.un.org/depts/german/gv-70/a70-l1.pdf>. Accessed 22 March 2021

and with the involvement of civil society.

- Funds based on needs are to be set up in such a way that they also ensure sufficient resources at the municipal level and cover initiatives supported by civil society.
- Young people should not only be seen as recipients of education, but must be enabled as active actors in the socio-ecological transformation, and in order to shape it, to acquire and implement competencies in ESD and transformative action.
- Schools, universities and other school and non-school educational projects/actors/areas/institutions must be supported in positioning themselves as high-quality educational locations with regard to ESD and implementing a holistic approach to ESD.
- Further emphasis must be placed on the continued operation and expansion of the Fairtrade Schools, Fairtrade Universities and other sustainability campaigns in the education and youth sector, such as the “FairActivists”.
- Racism played a large role in the history of colonialism and in the development of today’s global trade structures. Therefore, the fight against racism must be strengthened in the ESD canon.

Fairtrade Germany demands from the German government and the EU:

- German and European development cooperation must strengthen educational funding. This includes:
 - promoting vocational training for good agricultural practices as well as for local income alternatives,
 - equipping vocational training programmes of the German government and acting federal ministries (BMZ, BMEL, BMAS, ...) specifically to remote rural areas and thereby
 - involving the target group of small-scale farmers in order to create prospects for young people to stay in their home country and prevent rural exodus and migration
 - supporting local governments in the further development of their education policies.

Gender equality (SDG 5)

Promoting gender equality is one of the declared goals of Fairtrade. Women play a central role in fighting poverty and hunger around the world. According to studies by the FAO, the education and training of women and girls has a direct impact on the number of people living in extreme poverty. Fairtrade standards and projects contain concrete measures to empower women and girls and to improve their participation in social, economic and political decision-making processes and positions, and to combat discrimination and gender-based violence. Practical experience shows the successful effect of the various approaches¹⁶, but also the various obstacles to implementation on the ground. No right to land ownership and no contractual capacity, lack of creditworthiness, lack of access to information and resources, lack of implementation and inadequate protection of women's rights in national and traditional legal systems are challenges that require political action.¹⁷

Fairtrade Germany demands from the German government:

- Gender equality is a principle of German development policy. Accordingly, the German government must also make active use of its opportunities at the international level to promote women’s rights and equality.
- In climate, environmental, developmental, trade and foreign policy, gender-equitable approaches must be pursued more vigorously, gender-specific discrimination counteracted, and women’s rights and participation actively promoted. This includes, for example, a feminist foreign and development policy, including appropriate funding as well as gender budgeting.
- In the political dialogue with partner countries, the German government must do even more to promote legal equality between the sexes and work towards introducing gender mainstreaming as a guiding principle. Obligations arising from international agreements, such as the 2030 Agenda for Sustainable Development, the Cairo Action Program, the Beijing Platform for Action, the “Women, Peace and Security” agenda from UN Resolution 1325, the Istanbul Convention¹⁸ and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) must be complied with. Moreover the

16 <https://files.fairtrade.net/publications/2020-womens-access-equity-and-empowerment-study.pdf>. Accessed 22 March 2021

17 Fairtrade International, Gender, <http://www.fairtrade.net/programmes/gender.html>. Accessed 22 March 2021

18 <https://www.unwomen.de/informieren/internationale-vereinbarungen/die-istanbulkonvention.html>. Accessed 22 March 2021

German government itself must ratify corresponding international agreements (ILO Convention 190 against violence and sexual harassment in the workplace).

Fairtrade Germany demands from the EU:

- Impact assessments of new trade agreements or regulations must specifically include the effects on the situation of girls and women. This concerns, among other things, the adoption of gender-equitable guidelines and laws on human rights due diligence.

Sustainable economic growth and decent working conditions (SDG 8)

Sustainable and equitable economic growth, from which broad sections of the population benefit, can only be achieved if the right to job security and safety at work is fulfilled for all workers worldwide, if people receive decent payment for their products¹⁹ and/or a living wage²⁰ for their work, which enables them not only to survive but also to develop, thereby stripping exploitative child labour²¹ and forced labour of its foundation. A special role here is played by corporate Human Rights and Environmental Due Diligence (HREDD), which must be made binding worldwide in ambitious and gender-equitable laws in accordance with the UN Guiding Principles for Business and Human Rights and the OECD Guiding Principles developed for this purpose. While corporate due diligence always remains with the company itself, the contribution that Fairtrade makes as a practical and proven implementation tool should be recognised, and lessons can be learned from its past experiences.²² Merely participating in sectoral multi-stakeholder partnerships (MSPs) to promote sustainability, on the other hand, must not be a substitute for concrete measures.

Fairtrade Germany demands from the German government:

- The supply chain law in Germany is a start but needs improvement. In order to effectively protect human rights and the environment, the German government must further develop the law to include aspects of trading conditions as well as income and wage aspects. It must also take a pioneering role in advancing the process of establishing an EU Directive.

Fairtrade Germany demands from the EU:

- The EU must issue an ambitious HREDD guideline as the basis for demanding and effective national laws of the member states so that the entire EU internal market can develop its leverage effect at the global level.

Fairtrade Germany demands from the German government and the EU:

- Joint strong commitment for a binding agreement on HREDD at the UN level,²³
- Introduction of mandatory reporting on corporate sustainability.
- Binding international guidelines for the protection of people (e.g. the ILO core labour standards) and the environment in global supply chains must be enforced, in particular the protection against the exploitation of children, women and vulnerable groups such as seasonal and migrant workers.
- Development policy must improve access to pre-financing, agricultural loans and relevant insurance for small-scale farming organisations (e.g. crop failure insurance, adaptation to climate change) in disadvantaged countries. The German government and the EU must encourage the financial sector and companies to do the same.
- The protection of children from exploitative child labour and the implementation of the corresponding ILO core labour standards (ILO, International Labor Organization) through the establishment of participatory processes for risk analysis and prevention as well as child-friendly complaint mechanisms must be promoted worldwide.

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19 More on this at <https://www.fairtrade-deutschland.de/was-ist-fairtrade/arbeitschwerpunkte/existenzsichernde-einkommen-und-loehne>, accessed 7 May 2021

20 More on this at <https://www.fairtrade-deutschland.de/was-ist-fairtrade/arbeitschwerpunkte/arbeiterrechte.html>, accessed 22 March 2021

21 More on this at <https://www.fairtrade-deutschland.de/was-ist-fairtrade/arbeitschwerpunkte/kinderrechte.html>, Accessed 22 March 2021

22 More on this at <https://www.fairtrade-deutschland.de/was-ist-fairtrade/arbeitschwerpunkte/unternehmerische-sorgfaltspflicht-fuer-menschenrechte-und-umwelt>, accessed 7 May 2021

23 <https://www.business-humanrights.org/en/big-issues/binding-treaty> . Accessed 22 March 2021

- For better protection of employees in the transport sector along the entire supply chain, especially in ship transport, the UN sub-organisations such as the *International Maritime Organization* and the global trade union confederations must receive greater support so that globally valid collective agreements are established and respected.

Sustainable consumption and production patterns (SDG 12)

Fairtrade is committed to ensuring that the global economy, divided into production, trade and consumption, makes its maximum contribution to achieving the sustainability goals. At present, consumption and production patterns usually do not contribute to the achievement or enablement of human rights, and they also accelerate climate change. These will foreseeably lead to catastrophic consequences, especially for people in disadvantaged countries, especially if they become irreversible by crossing “tipping points”. A change of direction based on general human rights as well as international human rights and environmental conventions that include social, ecological, economic and cultural criteria is therefore required. Individual measures must be examined on a case-by-case basis, but must always be viewed globally, holistically and with consideration of vulnerable groups such as small-scale farming families and workers in the countries disadvantaged by unfair global trade structures.

Fairtrade Germany demands from the German government and the EU:

- Sustainability must become the guiding principle of economic and trade policies
 - Social, environmentally and climate-friendly production models must be specifically promoted. Wherever this is feasible and sensible, the following agricultural approaches in particular must be promoted in disadvantaged countries:
 - small-scale forms of production,
 - organic farming,
 - agroecology.
 - The preservation of the biodiversity of species and varieties must be guaranteed.
 - These principles must become an integral part of international trade agreements and other policies (EU Farm to Fork Strategy, EU Green Deal).
 - Agricultural policy in Germany/the EU must also become sustainable and must not endanger small-scale farming, local and site-appropriate agricultural production in disadvantaged countries through subsidised production and exports.
 - Measures must be taken to end unfair power relations in agricultural value chains, in textile supply chains and in the trade in minerals and precious metals.²⁴
- It must be ensured that the prices of consumer goods at least cover the actual ecological and social costs along the supply chains:
 - Mechanisms need to be established through which the actual ecological and social costs of agricultural and industrial production in the agricultural sector (“true costs”) are included in product prices.²⁵
 - Social and environmental dumping must be prevented.
- To promote SDG12, tax systems must be designed to be sustainable, e.g. through
 - the introduction of an ecologically and socially oriented value added tax,
 - lower duty and tax rates for sustainably certified consumer goods,
 - the coffee tax for sustainably produced and fairly traded coffee must be abolished,²⁶
 - a lower corporate tax rate for sustainable companies.
 - In return, socially and environmentally harmful economic practices (which, however, must remain within the framework of strict corporate due diligence obligations for human and environmental rights) must be subjected to a higher rate of tax,
 - In particular, a price must be determined for CO₂ emissions, which ensures a

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 24 Bureau d'Analyse Sociétal pour une Information Citoyen, BASIC: Who has the power? Concentration of power and unfair trading practices in agricultural supply chains. German translation of the complete study, published by Forum Fairer Handel e.V., GEPA – The Fair Trade Company GmbH, MISEREOR e.V., TransFair e.V./Fairtrade Germany and the Weltladen-Dachverband e.V. 2015.

25 Volkert Engelsman, Bernward Geier (Ed.): The prices lie. Why cheap food costs us dearly. ISBN 978-3-96238-006-9, Oekom Verlag, Munich 2018

26 See <https://www.fairtrade-deutschland.de/service/ueber-transfair-ey/was-wir-tun/advocacy-arbeit-kooperationen/debatte-zur-kaeffes-teuer> Accessed 7 May 2021

noticeable steering effect towards decarbonised economic models.

- The public sector must act as a role model and use its purchasing power for sustainable consumption:
 - The scope for promoting sustainable public procurement made possible by EU Directive 2014/24/EU must be made binding at the member state, federal, state and municipal levels and consistently developed.
 - The German sustainability strategy must introduce criteria for this purpose and ensure binding implementation.
- Public relations work to raise awareness of sustainable consumption/production must be promoted:
 - Existing initiatives and campaigns (e.g. world shops, one-world national networks and campaigns by other civic actors regarding fair trade as well as Fairtrade towns, Fairtrade schools, Fairtrade universities and FairActivists) and projects that focus on activities which mobilise people in cities and communities, in schools and universities must be encouraged.
- Appropriate measures must be taken to end resource and food waste, e.g.
 - through a hard law like in France²⁷ or
 - a soft law, such as promoting more conscious food handling and consumption.

Climate protection measures (SDG 13)

Climate change has become a massive threat to the way of life and cultivation methods of small-scale farmers as well as to agricultural production in general in many regions of the world. Catastrophic weather phenomena are increasing in number, frequency and intensity and are changing climatic cultivation conditions. This, in turn, is requiring adaptation measures and, in some cases, the complete conversion of products or relocation of production to other regions, which can hardly be achieved by small-scale farming communities alone. At the same time, studies show that under the right conditions and with the right methodological approaches, small-scale agriculture can be the form of agriculture that makes the lowest contribution to climate change.

As the recent ruling by the German Federal Court of Justice on the lawsuit supported by youth movements²⁸ confirms, the burden-sharing in the fight against climate change is also a fundamental question of fairness between the generations and underlines the “claims of future generations to the future”.

Fairtrade Germany demands from the German government and the EU:

- Based on the Paris Climate Protection Agreement of 2015, adaptation, mitigation and compensation measures in agricultural production, especially in rural areas and with small-scale farming structures in countries disadvantaged by unfair global trade structures, must be supported in a targeted manner.
 - Existing projects of the ministries (BMZ, BMEL) in rural areas are to be adapted accordingly.
- Practices that promote biodiversity and sustainable forms of agricultural production are to be specifically promoted in disadvantaged countries. This serves both to protect and strengthen the diversity of agricultural varieties and to protect people from further zoonotic pandemics, such as those caused by the coronavirus.
- Climate-relevant emissions along supply chains must be reduced, e.g. through the following measures:
 - CO₂ taxes or levies to promote more environmentally friendly transport are to be introduced.
 - Legal frameworks must be enacted that oblige the remaining transport-related CO₂ emissions along supply chains to be offset in a climate-neutral manner through paid compensation²⁹ (offsetting), preferably through measures within supply chains (insetting).
 - When introducing *Carbon Border Adjustment Systems* attention must be paid to developmental effects and solutions for disadvantaged small-scale producers must be worked out.
 - Low VAT rates for sustainable or climate-neutral products and services are to be introduced.
- Disadvantaged countries must be supported in their climate protection and adaptation measures, for example by trading in climate protection technologies.

27 See <https://www.bundestag.de/resource/blob/568808/21ec9f0fd1bce3c48c063f24498428e/wd-5-095-18-pdf-data.pdf> Accessed 7 May 2021

28 https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2021/03/rs20210324_1bvr265618.html Accessed 7 May 2021

29 Carbon Market Watch, Sailing towards a global Carbon Price in the Maritime Industry? Position Paper, March 2021, <https://carbonmarketwatch.org/publications/sailing-towards-a-global-carbon-price-in-the-maritime-industry/>. Accessed 23 March 2021

General orientation towards sustainability goals, joint action and policy coherence (SDG 17)

Fairtrade Germany particularly welcomes the overarching demands in goals 17.10: the promotion of a universal, rule-based, open, non-discriminatory, fair multilateral trading system³⁰ and 17.14: improving policy coherence for sustainable development.³¹ Fairtrade Germany is convinced: The global sustainability goals must become the central model of a closely knit European Union and thus create a new common vision for the future.

Fairtrade Germany demands from the German government and the EU:

- Multilateral bodies such as the WTO and the implementation of international agreements such as the ILO must be supported.
- Trade agreements must promote socially and ecologically sustainable economic models and guarantee compliance with minimum social and ecological standards.
 - The design must ensure that, for example, market openings are not at the expense of regional economic structures, small-scale farmers and workers in countries disadvantaged by unfair global trade structures.
 - The EU agricultural subsidy policy must be aligned with the sustainability goals and fair international trade.
 - Additional measures to promote living wages and incomes should be examined.
- Competition law must be aligned with sustainability goals:
 - Producers in disadvantaged countries, future generations and the environment must be weighed alongside consumer welfare.
 - Discussions about prices and joint initiatives by sectoral multi-stakeholder partnerships for the payment of living wages and incomes must be exempted from antitrust law under strict conditions.³²
- Unfair trading practices within the EU and by companies located here are to be prevented on a global scale and fair trade is to be promoted³³. The existing guidelines and laws must
 - be expanded to include the prohibition of sales below the true production costs – taking into account living wages and incomes,
 - also be expanded to the non-food sector,
 - be made effectively accessible and usable through support for producers and collaborations with affected governments in disadvantaged countries.
- Policies must be actively shaped in the sense of a socio-ecological transformation of economy and society in the EU member states.
- Coherence of climate, environmental, development, economic, trade and agricultural policy must be ensured in terms of the global sustainable development goals.
- Regular, independent human rights and ecological impact assessments of all legal and regulatory initiatives as well as subsidy decisions, also in relation to third countries, must be carried out.

III. How Fairtrade understands and implements its role in policy work

A large number of measures and activities are necessary to implement political demands and change the political framework, from influencing political content and positions in society to working directly with political decision-makers.

In a broader sense, Fairtrade regards purchasing decisions as a political vote (“voting with your wallet”) – people in this country can exert influence through their consumer behaviour, provided they have a choice between conventional and fairly traded products, as well as the necessary knowledge and awareness of the effects of their decisions. In addition to the direct effect on the living conditions of producers in disadvantaged countries, all

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³⁰ <https://indicators.report/targets/17-10/>, <https://indicators.report/targets/17-14/>. Accessed 22 March 2021

³¹ <https://sdgs.un.org/goals>. Accessed 22 March 2021

³² https://fairtrade-advocacy.org/wp-content/uploads/2019/04/FTAO-Briefing-note-Competition-Law-and-Sustainability_Addressing-the-Broken-Links.pdf. Accessed 22 March 2021

³³ Fair trade within the meaning of the International Fair Trade Charter <https://www.fair-trade.website/the-charter-1> accessed 22 March 2021

areas of Fairtrade Germany contribute to the political goals: from direct cooperation with companies and the awarding of the Fairtrade mark for products, through public relations and campaigns, to networking with member organisations and other partners. In addition to cooperation with stakeholders from business and politics, civic engagement has proven to be indispensable. More than 35 member organisations from different areas form the basis of the association and reach millions of citizens through their networks. They spread the idea and importance of fair trade and our responsibility for sustainable consumption across society and to activate citizens for a sustainable future. The member organisations support the strategy and the policy work of Fairtrade Germany and coordinate their own campaigns and actions accordingly, if applicable. They legitimise the political work of Fairtrade Germany, which thus also represents the commitment of many citizens.

Policy work in the narrower sense relates to the direct influence of proposed legislation at the EU, federal, state and municipal levels. Fairtrade Germany sees itself in a special role: on the one hand as a civil society actor that points out grievances and demands improvements, and on the other hand as a specific solution provider and partner for commercial companies that want to make their supply chains fair. For its political work, Fairtrade Germany therefore cooperates with a large number of stakeholders and sees itself as a link between business and civil society. In terms of content, this means bringing concrete economic know-how from implementation practice into the political and social discourse, as well as making the perspective of disadvantaged companies more understandable for business leaders and enforcing sustainability aspects in the economy. Fairtrade is a learning system: through extensive global data collection and analysis structures, Fairtrade works to continuously improve its own work.

The three following sub-chapters summarise the most important approaches of the political work of Fairtrade Germany, which are mutually dependent and reinforcing: 1) Set best practices as a role model, 2) Mobilise people to action, 3) Influence politics directly.

Set best practices as a role model

Through its concrete and practical work, Fairtrade Germany has 30 years of experience of how fair trade works and under what conditions, what the barriers are and what negative effects unfair trade causes. Based on this knowledge, Fairtrade Germany brings its own positions into the political processes of, for example, the EU or the German government, based on experience and facts, in a constructive-critical and solution-oriented manner. The Fairtrade approach, with the continuously and systematically developed **standard and certification system** based on regular scientific reviews and public consultations, has the potential to serve as a **social and economic centre of innovation**. Constructive and balanced criticism and joint learning are welcome in order to understand what works with the Fairtrade approach and where improvements and changes are necessary. In addition to implementing the standards, Fairtrade in joint **projects with supply chain partners** collects further experience on innovative solutions, e.g. to achieve a living income or to adapt to climate change. In this way, Fairtrade brings together various actors to test and implement specific best practice measures that can be applied on a broader scale. The main goal is to work together to make the entire retail chain more sustainable and fairer. The aim of Fairtrade is to be “*best in class*” and always take an extra step forward when binding rules raise the bar or the market as a whole moves up. The perspective of the Fairtrade producers at the beginning of the value chain always comes first and ensures that would-be solutions do not come at their expense. In this way, Fairtrade can continuously update its concrete experience and incorporate this into the political processes.

Fairtrade does the latter, on the one hand, through specific political initiatives together with fair trade pioneers and fair trade networks such as the *World Fair Trade Organization (WFTO)* and the concrete experiences of its national member organisations; and, on the other hand, through involvement in various **Multi-Stakeholder Partnerships (MSPs)** such as the Sustainable Cocoa Forum, the Sustainable Bananas Action Alliance, the Textile Alliance, the Sustainable Agricultural Supply Chains Initiative, or the Partnership for Sustainable Orange Juice – in order to work with political, civil society and economic actors to achieve improvements for small-scale farming families and workers in a specific sector or on a specific topic. The partnerships represent a way of exchanging experiences and developing mutual understanding, as well as promoting the possibilities of statutory regulation with the relevant actors, which is also required by many commercial companies in the sense of fair competition.

Mobilise people to action

The education, public relations and campaign work of Fairtrade Germany and the Fair Trade Movement as a whole creates awareness of global interrelationships and gives a face to the people behind the products such as coffee or bananas. It connects producers with consumers and shows the effects of consumption in this country on producers and the environment. The global grievances are countered by “stories of success” that show what the empowerment of people can achieve and what the next step towards a fairer world can look like in concrete terms. This changes the discourse in society about more fairness, which is what makes it possible for legislative initiatives to find popular support.

Fairtrade campaigns such as Fairtrade towns, schools and universities and their political elements as well as the support of member organisations **mobilise people as citizens and invite them to participate in the political process**, e.g. through petitions or exchanges with political decision-makers – from the municipalities to the EU level. The effect of fair trade as a catalyst for developments towards more fairness in society and politics through campaigns and public relations was confirmed in the study *Does fair trade change society?*³⁴.

The campaigns also raise awareness of the fact that the decision in favour of Fairtrade products when out shopping is a vote on the current economic system. **Buying fair products is therefore also a signal to politicians to make respect for human rights and environmental protection in the economy binding.**

Influence politics directly

Political work in the narrow sense of the word brings all these aspects and other political demands to the political decision-makers in order to have a direct influence on the regulatory framework and its implementation. At the EU, federal, state and municipal level, Fairtrade Germany, in partnership with its member organisations, the German Fair Trade Movement, non-governmental organisations, trade unions and its commercial partners brings constructive and critical proposals to politicians, outlining how laws and their implementation can promote sustainability and improve the regulatory framework. This takes place through discussions with members of parliament and authorities, events and publications as well as political elements in campaigns, e.g. petitions.

In cooperation with the Fairtrade producer networks, which have 50% of the decision-making votes in the Fairtrade system, Fairtrade Germany creates the basis for exchanging information and ideas with disadvantaged producer organizations, in particular in order to listen to the often neglected perspective of small-scale farming families and workers in agriculture. The effects of (well-intentioned) laws on producers in these countries and the most vulnerable in society are examined in order to avoid unintended negative effects. At the EU and UN level, Fairtrade Germany works together with the colleagues of the international Fairtrade system, vis-à-vis the EU Commission and the EU Parliament with the Fair Trade Advocacy Office (FTAO) based in Brussels, which is responsible for the entire global Fair Trade Movement. By strengthening advocacy capacities in disadvantaged countries, Fairtrade is pursuing a participatory approach in which the producers represent their own interests in a self-determined manner.

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³⁴ Sandra Bähge, Trend and Impact Study: Will fair trade change society?, Saarbrücken 2016. <http://doi.org/10.5281/zenodo.163639>

Fairtrade Germany was founded in 1992 with the aim of supporting disadvantaged producer groups in developing countries. As an independent organisation, Fairtrade Germany does not trade in goods itself, but works to promote trade in fair trade products and raw materials and to raise awareness of sustainable consumption. www.fairtrade-deutschland.de

Fairtrade Germany is part of the international association **Fairtrade International**, a non-profit association that brings together Fairtrade organisations from 25 countries and three continental producer networks. Fairtrade International develops the internationally valid Fairtrade Standards. www.fairtrade.net

All actors involved along the supply chain are regularly monitored by **FLOCERT GmbH**. The company works with an independent and globally consistent certification system in accordance with the requirements of the ISO 17065 (DIN EN 45011) accreditation standard. www.flocert.net

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