

WHAT FUTURE FOR FAIR TRADE IN SCOTLAND?

**An Independent review of Fair Trade Sales
and Promotion in Scotland
For**

SCOTTISH GOVERNMENT



FINAL REPORT FEBRUARY 2020

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EXECUTIVE SUMMARY

'In November, the United Nations climate change summit in Glasgow will attract more than 30,000 people from around the world.....

'And it will give Scotland a chance to show that we are leading by example – not just by reducing our greenhouse gas emissions but by doing so in a way that helps to build a fairer, healthier and happier society'.

First Minister, Nicola Sturgeon, 2020 New Year message

I. Introduction

This independent Review of Fair Trade sales growth and promotion in Scotland, commissioned by the Scottish Government's International Development (SGID) Team, is published at a time when there has never been a better opportunity for Fair Trade to re-state its relevancy to the climate change emergency through using fair and ethical trade to sustain the livelihoods and environments of the poorest communities across the globe.



Figure 1.1: Graphic representation of Fair Trade, International Fair Trade Charter 2018.

The International Fair Trade Charter (2018) describes Fair Trade as a movement which 'works to transform trade in order to achieve justice, equity and sustainability for people and planet'.

The 'fairer society' which the First Minister emphasises in her New Year message, is inextricably linked to our actions (or inaction) to tackle the climate crisis at an international level, our approach to fair and responsible trading arrangements and the way in which SG and business works with its international neighbours to tackle the injustice and human rights abuses in supply chains. Scotland has positioned itself as a Fair Trade Nation and now needs to take seriously the challenge that the ten principles of Fair Trade, aligned to the Global Goals and National Performance Framework present to all levels of Scottish society – from parliamentarians, civil servants and business leaders, to NGOs, public agencies, social enterprise and the individual consumer. Starting the journey to embed fair and ethical trade across all functions of government and business constitutes a transformative response to creating the fairer society that, global citizens in Scotland should work towards.

II. Review Purpose and Structure

The Review's purpose has been to enable SG to further progress Scotland's potential to achieve inclusive growth through the delivery of increased sales and awareness of Fair Trade, as key actions in achieving the United Nations International Sustainable Development Goals (SDGs) adopted in the International Development Strategy published in 2016 and which are planned up to 2030. The report has been structured to illustrate the current environment and context for growing Fair Trade sales and awareness, summarising existing promotional and policy activity, identifying barriers and opportunities for progress and concluding by recommending a series of actions across key themes.

i. Context and current activity

Chapter 1 sets the scene for the review, providing detail on the mixed methodology adopted to assessing both qualitative and quantitative evidence gathered throughout the review period, utilising both primary and secondary data sources. It reviews the progress of Fair Trade in Scotland as an alternative trading model since the late 1960s to Scotland's reassessment as a Fair Trade Nation in 2017 and assesses the activity undertaken by the Scottish Fair Trade Forum (SFTF) in Scotland and the Fairtrade Foundation in the UK. It defines the concept of Fair Trade using the International Fair Trade Charter's definition and articulates the 10 principles of Fair Trade, noting that 2019 was the 25th year anniversary the introduction of the Fairtrade Mark certification scheme.

Scotland's long history of campaigning for Fair Trade and the Scottish Government's ambition for Scotland being a good global citizen are described in the chapter. Achievements include the work of the SGID in support of the SFTF which has proved its effectiveness through Scotland being re-assessed as a FT Nation in 2017.

Chapter 2 broadens the review of context through exploring the links between Fair Trade, SDGs, Scotland's Inclusive Economy and its National Performance Framework. The chapter maps where synergies exist with the ten principles of Fair Trade and identifies areas for both collaborative work and eliminating policy incoherence across SG.

Opportunities and challenges for Fair Trade alignment to SDGs, and in particular Climate Change, are described, highlighting the dangers of viewing the SDGs and Fair Trade as being a purely consumer labelling initiative, rather than more fundamental issues of wider economic injustice. Leading by example, through promoting existing Fair Trade adoption across public, third and private sectors is encouraged to improve visibility, whilst messaging should be updated to increase Fair Trade's relevancy.

SGID and Global Citizenship and Beyond Aid policies are explored and the existing partnerships between Scotland's International Development Alliance, Scotland Malawi Partnership, Development Education Centres and SFTF recognised, together with examples of where these might be improved. SGID work with partners in the NHS in Scotland is also highlighted as an example of embedding the Global Goals, active global citizenship and fair and ethical trading practice within a major public agency in Scotland. The Review notes that awareness of Fair Trade in the wider context of Global Citizenship is generally poor across the public and government sectors. Upskilling and awareness raising amongst the workforce and leaders of these key institutions is highlighted as a priority.

European development policy in relation to Fair Trade, 'Beyond Aid' and public procurement is described and a critique provided of progress to date, identifying that scalable growth in other European countries has been aligned to changes in public procurement practice and upskilling of relevant trade and procurement agencies.

The chapter concludes with a critique of existing SG policy relating to Fair Trade, through the lens of Policy Coherence for Sustainable Development (PCSD) and highlighting Fair Trade's relevance to many of the SG's National Performance Framework Indicators. The chapter recommends a series of priority actions relating to International Climate Change, Learning for Sustainability, International Trade, Business, Fair Work, Social Economy and Sustainable Public Procurement policy areas. It also calls for the Fair Trade movement itself to be honest about where incoherence has existed and to be accountable for measures to address these areas.

ii. Identifying the market and current performance

Chapter 3 provides a review of the Fair Trade Market in UK and Scotland, including a summary of consumer behaviour, trends and the market context. It also identifies the global FT market and international market trends for FT and ethical products, which overall show sustained growth, although with some deceleration in some European countries.

For the first time, the review was able to analyse sales statistics (based on household sales) over 2 years (2017 and 2019) for Scotland, showing a declines (9%) in consumer sales in retail outlets, largely in confectionery 'impulse' purchases, due to the withdrawal of several major confectionary brands from the Fairtrade Certification scheme during 2017-18. The sales figures represent a benchmark from which future trends in sales can be monitored on an annual basis.

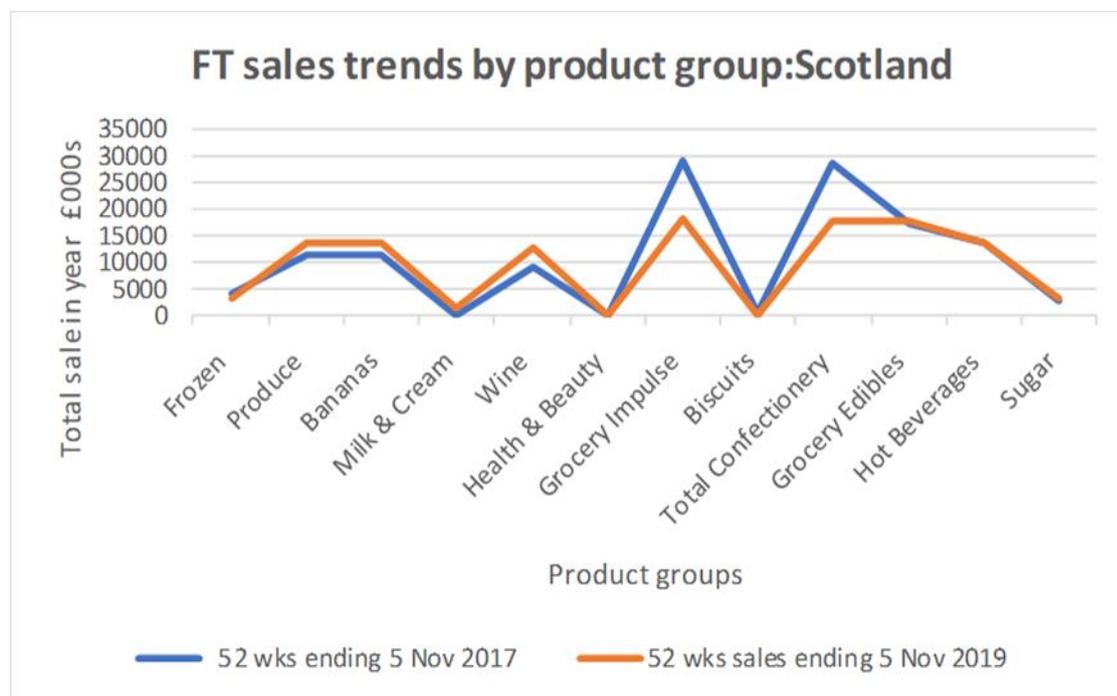


Chart 1.1: FT Mark certified Scottish sales trends by product category, 2017 and 2019.
Kantar Worldpanel

Additional baseline information is included on retailers and suppliers of Fair Trade goods to the Scottish market, collated through an online survey, demonstrating the range of business and organisations active in supporting sales, from social enterprises to co-operative and commercial businesses.

Chapter 4 goes on to explore in further detail the opportunities and barriers to growth within Fair Trade sales and awareness in Scotland, based on extensive qualitative interviews and two online surveys - of retailers and suppliers and of Scottish Fair Trade campaigners. Key issues of both challenge and opportunity were found to be:

- Consumer 'Fair Trade' literacy
- Supply and distribution of FT products to market
- Access to public procurement contracts
- Brexit and implications for Fair Trade in relation to international trade and procurement policies and practice
- Enterprise support for Scottish Fair Trade Organisations and the role of social enterprise and business support agencies
- Building volunteer capacity through new models, across Fair Trade Networks in Scotland.

Persistent barriers for growth identified by suppliers and retailers included competing with the price and margins of low cost brands and retailers together with supply chain concerns. Opportunities to emphasise Fair Trade's alignment to the social economy in Scotland are discussed, with new models of Fair Trade related to producer relationships and mutual community/economic benefits.

iii. Study visit to Sweden and international case studies

Chapter 5 reports on a study visit to Sweden carried out as part of the review, benchmarking Swedish practice against the Scottish experience and identifying opportunities for growth and promotion of Fair Trade. The visit included interviews, meetings and field visits involving Fair Trade Sweden, Swedish Association of FT Retailers, FT Cafes and support agencies including Coompanion – the Swedish National Social Enterprise Support agency.

The visit identified several initiatives which are being implemented to boost FT sales growth. including the "Ambassador Scheme", Penpals Association, campaigns, and links to the social economy movement. Main campaigns included a "Living Wage" campaign and South-South trading opportunities.

Three additional short case studies are included in this chapter from other countries, highlighting good practice in accelerating Fair Trade sales growth (South Korea), legislating for Fair Trade (France) and Fair Trade design innovation (Holland, mobile phones).

Chapter 6 concludes by providing a number of recommendations following analysis of the evidence gathered during the Review, summarised here in sections III and IV.

III. Key Messages from the Review

Fair Trade in Scotland can rightly be proud of its achievements since the first handmade Christmas cards were retailed by Oxfam Scotland in the late 1960's. Sales of Fairtrade Mark Certified products have experienced a remarkable growth trajectory, achieving nearly £68 million in grocery sales in 2019. Scottish Fair Trade Organisations, as micro-businesses, continue to promote direct and dignified trading relationships between North and South, demonstrating the benefit of transparent and equitable supply chains in supporting producers towards sustainable income, stronger communities and greater wellbeing. The SG has continued to support Fair Trade in Scotland through its International Development Strategy focused on Global Citizenship and has committed to fund the Scottish Fair Trade Forum, the membership advocacy body for Fair Trade in Scotland, for a further three years.

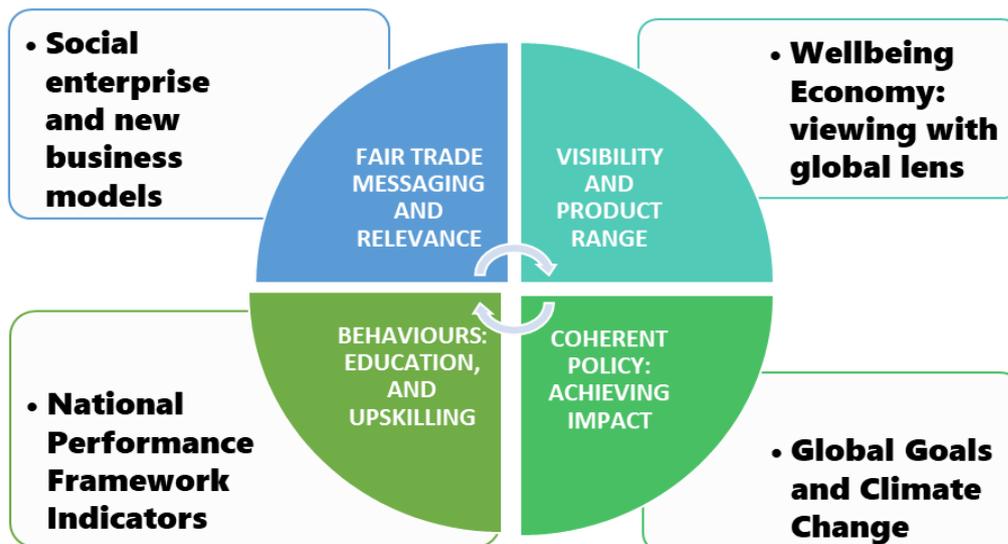
However, there is no room for complacency. Scottish Fair Trade grocery sales declined dramatically since several major brands withdrew from the Fairtrade Mark certification licensing (and took the license fee income for Fairtrade with them). Despite being reassessed as a Fair Trade Nation in 2017, there was a tangible sense of frustration expressed by Scottish Fair Trade campaigners, Fair Trade Organisations and partner organisations through the review's primary research. It was felt that at Scottish Parliament and Government levels there was little developmental commitment to changing the way trade works, how businesses operate or in applying fair and ethical trading to the way in which public services procure goods.

Looking forward, opportunities were identified for strengthening the success of Fair Trade to date, drawing upon developments in pursuing Fair Trade and the SG Goals internationally and work already carried out to develop the Active Global Citizenship model by SG International development. Responsibility for realising growth in Fair Trade sales and ethical and fair trading/ business practices lies with all levels of Scottish society, from Parliament, Government and public agencies to business leaders, educators, young people and longstanding activists.

Four priority themes for consideration and action in order to scale up Fair Trade growth were identified by the Review:

- Fair Trading messaging and relevancy: re-booting its radical approach to reducing inequality through trade;
- Influencing behaviour change: education and upskilling focused on Government, public agencies and business groups;
- Visibility and access to product range: improving supply chain access to Fair Trade products for consumers in Scotland and
- Coherent Policy for sustainable development: ensuring that across SG, there is greater coherence in the approach to trade, human rights, procurement, exporting and importing.

These are represented in the following graphic which highlights the key contexts in which Fair Trade in Scotland should operate.



IV. Conclusion

The Review found that scalable growth in Fair Trade will only be achieved through adoption of Fair Trade policies and purchasing practices by large public and corporate procurers. Upskilling and education work needs to prioritise engagement with procurement and corporate policy leads in public agencies (including the procurement agencies themselves), the corporate business sector and national Food Service providers. Informing decision makers about the relevance of fair and ethical trade to sustainable procurement and the delivery of the UN Global Goals has the potential to accelerate changing purchasing behaviour, increasing Fair Trade sales and making fair and ethical product choices easier for the consumer in Scotland at leisure or work.

Most of all Fair Trade needs to be understood by all stakeholders as more than a consumer oriented labelling initiative, but rather a key tool for ensuring that a wellbeing economy - aligned to meaningful indicators across the National Performance Framework (and not restricted to international development) – is achievable within the next ten years as pursuit of the Global Goals gains traction.

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GLOSSARY: Terms and abbreviations used throughout the report

- **B Corp** • Socially responsible business certification, measuring a company's operations and business model (not only its products) against a set of environmental, social and governance criteria
- **CSR** • Corporate Social Responsibility: self-regulating business model that supports social accountability
- **ETI** • Ethical Trading Initiative
- **ESG** • Environmental, Social and Governance criteria (usually in relation to finance/ investments)
- **EU FTAOS** • EU Fair Trade Advocacy Office. The FTAO is a joint initiative of Fairtrade International, the World Fair Trade Organization-Global and the World Fair Trade Organization-Europe. Through these three networks the FTAO represents an estimate of 2.5 million Fair Trade producers and workers from 70 countries, 24 labelling initiatives, over 500 Fair Trade importers, 4,000 World Shops and more than 100,000 volunteers.
- **Fair Trade** • Refers to the global Fair Trade movement and product which, although they may not have FT mark certification, are produced according to the 10 principles of Fair Trade
- **FLO** • Fairtrade Labelling Organisation
- **Fairtrade (FT)** • Fairtrade Mark certification scheme, which independently audits products to assess whether they meet Fairtrade International's definition of Fairtrade. Always one word and abbreviated to FT in this report
- **'fairly traded' supermarket products** • Some major retailers and brands which have withdrawn from the FT mark licensing scheme, have developed their own un-audited 'ethical' offering which are often labelled as 'fairly traded'
- **FTAs** • Free Trade Agreements
- **FTF** • Fairtrade Foundation
- **FTI** • Fairtrade International

- **FTOs**
 - Fair Trade Organisations (usually social enterprises in some form)
- **SIDOS**
 - Scotland's International Development Alliance, referred to as the Alliance
- **SDG**
 - Sustainable Development Goal
- **SFTF**
 - Scottish Fair Trade Forum, referred to as the Forum
- **SG**
 - The Scottish Government
- **WFTO**
 - World Fair Trade Organisation which operates an audited membership scheme, assessing applicants against all the FT Principles. The guarantee membership scheme applies to the whole organisation (not only its products) as a social enterprise. Many handicraft and textile producers are registered with WFTO

Chapter 1 Scotland: A Fair Trade Nation: Review of progress

1.1 Introduction: What is Fair Trade? What Does it Mean in 2020?

The terms 'Fair Trade', 'fairly traded' and 'Fairtrade' are often used interchangeably, yet only the latter term refers to the Fairtrade mark certification scheme (hereafter referred to as FT), operated through Fairtrade International. The Fairtrade Mark certification scheme to which businesses apply to become license holders, is the focus of the Fairtrade Foundation's work and certifies individual products, most often (but not exclusively) harvested by farmers in the developing world. The World Fair Trade Organisation (WFTO) also offers a certified organisational membership scheme, which applies to the whole organisation and the way it operates, rather than specific products. The Scottish Fair Trade Forum (SFTF), which is Funded by the Scottish Government International Development Team (SGID), is now a full networking member of WFTO.

Both schemes offer rigorous systems of audit but a minority of Scottish Fair Trade Organisations (FTOs) are certified by them (or deliver products to market that carry these certifications). Instead, Scottish FTOs could be regarded as complying with the following definition of Fair Trade agreed by the FINE informal network of international FTOs in 2001 and becoming the International Fair Trade Charter:

'Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade.

It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.

Fair Trade organisations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.'

International Fair Trade Charter 2018

This review uses this definition in exploring the opportunities and challenges for Fair Trade in 2020 and beyond. In doing so the review is assessing two separate elements of 'Fair Trade' in Scotland, and of the wider Fair Trade movement: both consumer purchasing habits measured through sales of Fairtrade labelled products and a much broader commitment to reducing economic injustice in developing countries and changing the way trade works:

*'Fair Trade has become a multifaceted political and economic phenomenon, driving and catalysing change in **the way** business is done, how consumers consume and how producers produce'.*

Pauline Tiffen ¹

The review will also refer regularly to the 10 Principles of Fair Trade, as adopted by the World Fair Trade Organisations (WFTO) and recognised by all major Fair Trade organisations and networks internationally, through their adoption of the principles in the International Fair Trade Charter.

¹Tiffen, P. 2018. Who cares about Fair Trade? Journal of Fair Trade 1:1



Figure 1.1: The 10 Principles of Fair Trade

In 2019 Fairtrade (the certification scheme) celebrated its 25th anniversary and redoubled its efforts to ensure that the Fairtrade Mark is widely recognised as the most reliable guarantee of the principles of Fair Trade being certificated and offering its unique social premium to build capacity and empower disadvantaged producers. At the end of 2016 there were 1,411 Fairtrade producer organisations in 73 countries, with the number of farmers and workers participating in Fairtrade growing to over 1.66 million. The Fairtrade Foundation estimates² that, if the growth of Fairtrade sales and producers continues to grow at its current rate, the number of farmers and workers engaged in Fairtrade could grow to 8 million. A report by the Overseas Development Commission³ commissioned by the Fairtrade Foundation, revealed the following findings about the impact of Fairtrade certification scheme on producers in the developing world:

- a. Fairtrade certified producers benefit from higher prices than non-Fairtrade certified producers during periods of low conventional market prices, thanks to the Fairtrade Minimum Price
- b. The Fairtrade Premium supports the development of producer organisations and enables wider community level benefits, such as health and education services
- c. Fairtrade certification contributes to the strengthening of producer and worker organisation and democracy
- d. Fairtrade’s impact on household income and well-being is generally positive, although this depends on many factors.
- e. More schooling for children in households of certified versus uncertified producers
- f. In addition, there have been renewed efforts to increase the range and volume of sales and to maintain and establish effective relationships with producers.

² <https://www.fairtrade.org.uk/Media-Centre/Blog/2019/October/25-Years-of-Fairtrade-Impact> Fairtrade Foundation, 4.10.2019

³ Impact of Fairtrade 2009-2015, Metadata Review, Overseas Development Commission, 2017.

The Fair Trade movement will continue to face several major challenges, the most fundamental of which is the catastrophic impact of climate change on the sustainability of food producers (often small holders) and their livelihoods in the global south. This will become an increasing challenge for Fair Trade food production and supply, whilst volatile commodities markets (such as for coffee and cocoa) dominated by large global players continue to drive down living standards and prices.

Sales will continue to be challenged both by competing ethical 'brands' and certification mark 'fatigue' – or at the very least – confusion amongst consumers and procurers in both private and public sectors. The 'lowest price war' of major supermarket chains and bottom line cost efficiencies for major procurers in public and private sectors are already established as the key indicators for scalable purchasing choices, with fair, ethical and environmental factors only playing a secondary role to price.

There will continue to be those who question the efficacy of Fair Trade standards and audit procedures (even though Fairtrade certification itself is independently assessed under independent IS quality standards for certified products⁴) and the movement has at times been slow to address criticisms of its verification processes and messaging.

Against the backdrop of all these challenges, this review seeks to reaffirm Fair Trade as an essential voice at all civic, government, third sector and corporate levels in seeking to enable a fairer world which challenges everyone – from individuals to government - to change behaviours towards an inclusive and 'shared value' approach to global citizenship. The review also makes recommendations which, if implemented, could ensure that Scotland strengthens and consolidates its position as a Fair Trade Nation. Many of these recommendations are not resource intensive but are rather about changing the current behaviours and doing things differently.

1.2 Objectives and Approach of the Review

The Review's purpose is to enable Scottish Government to further progress and maximise Scotland's potential to achieve inclusive growth through the delivery of increased sales and awareness of Fair Trade, as key actions in achieving the International Sustainable Development Goals (SDGs) adopted in the International Development Strategy published in 2016 and which are planned up to 2030.

The Scottish Government's stated objective, in commissioning the review, was to identify recommendations which, if implemented, would increase Fair Trade sales in Scotland, and through that for Scotland to contribute internationally to the achievement of the Global Goals by developing countries.

The main output of the review is this report which includes a framework for practical action to increase Fair Trade sales in Scotland. The consultants, Martin Meteyard and Associates, were commissioned to carry out the Review in June 2019 and in the tender document they highlighted the Review's key objectives as being:

⁴ FLOCert, the organisation which audits Fairtrade certified products is accredited against the internationally recognised ISO norm for product [certifiers](#), ISO 17065 which assures the transparency, quality, rigour and independence of its auditing processes.

- a. To identify the key factors distinguishing the Scottish Fair Trade market and assess the potential to further maximise impact through a greater focus on key commodity categories
- b. Through assessment, to provide clear and realistic guidance to Scottish Government on interventions to support Fair Trade sales growth in Scotland
- c. To identify key needs and gaps in the delivery of current Fair Trade promotion and where awareness is poorest, recommending where support in pursuit of Global Citizenship should be targeted
- d. To explore the Policy Coherence for (Sustainable) Development (PCSD) between existing Fair Trade Commitments and wider Scottish Government programmes in support of the SDGs*

The final objective (*) was added following an interim meeting with the commissioned consultants and the SGID team. It was agreed to expand the scope of the original brief of the review, to include a more in-depth investigation of SG's commitment to Fair Trade within the wider context of Scottish Government's commitment to the UN Goals for Sustainable Development and their embedding within the new National Performance Framework⁵. This is reflected in Chapter 3 section 3 'Policy Coherence for Sustainable Development'.

1.3 Methodology for the Review

The review used a mixed research methodology for delivering its objectives. Please also refer to the appendices to this report for further detail. Our methodology comprised the following elements.

1.3.1 Secondary Research and Data Analysis

Analysis of existing data sources including existing Consumer Survey data commissioned by the Scottish Fair Trade Forum; identification and sourcing of commercial market data on Scotland's Fair Trade sales; wide ranging literature review of EU and international publications on the development of Fair Trade and consumer behaviour, trade and procurement policy and market data internationally; research on Scottish Government policies aligned to the Global Goals and Scotland's National Performance Framework.

1.3.2 Primary Research and Analysis

Over the course of the review five facilitated workshops were conducted involving Scottish Fair Trade Forum members, Scottish Fair Trade Organisations, retailers, social enterprise support agencies and importers (see appendices).

Two extensive online surveys were conducted: one aimed at Fair Trade campaigners (largely in volunteer roles) in Scotland, eliciting 93 responses and a second focused on (and distributed to) Scottish FTOs, UK Fair Trade Leaders Forum and through Fairtrade Foundation's business newsletter (49 responses).

A total of 43 qualitative 1:1 Interviews were conducted either face to face, through Skype or telephone calls. Those interviewed included leading retail/ethical trading academics; Sustainability sourcing Managers within retail chains and corporate global impact leads; FT leaders internationally, Scottish FTOs, business and social enterprise support agency lead officers and Scottish Government policy leads with reference to Fair Trade and the SDGs. The review also commissioned a current Scottish university student to attend and report on the International Fair Trade Towns Conference 2019 which took place in Wales in October 2019 (see Appendix 5).

⁵[The National Performance Framework](#), Scottish Government, 2019

Our analysis has identified both barriers and opportunities for growing awareness and sales of Fair Trade in Scotland and makes recommendations for growth. The review also includes a number of case studies to highlight producer and importer experiences of Fair Trade and to identify examples of leading practice in Fair Trade growth. Chapter 6 summarises the findings of a case study visit to Sweden conducted as part of the review.

1.4 Scottish Government and Fair Trade: What has Already Been Achieved?

Scotland can rightly be proud of its long history of campaigning for Fair Trade for disadvantaged producers in the global South. The Scottish Government places great importance on Scotland being a good global citizen which includes playing a part in tackling global challenges including poverty, health, injustice and inequality.



Figure 1.2: Ben Macpherson MSP, Scottish Minister for International Development, Martin Rhodes CEO of the SFTF. Aimable Nshimiye, Managing Director of Abateraninkunga Ba Sholi, a cooperative of 386 Fairtrade coffee producers (40% of women) in Rwanda during Fairtrade Fortnight 2019 in Scotland.

SGID already delivers an annual £10 million International Development Fund (IDF), the main aim of which is to support and empower partner countries: Malawi, Rwanda, Zambia, and Pakistan, within the framework of the UN Sustainable Development Goals. Chapter 3 will look at the Sustainable Development Goals in further detail in relation to Fair Trade in Scotland. Many of the projects and initiatives supported reflect individual FT principles such as supporting disadvantaged producers, promoting gender equality and capacity building, and climate crisis mitigation.

The Scottish Fair Trade Forum was established in January 2007 by a group of Fair Trade campaigners, Scotland-based non-governmental organisations and the Scottish Government, to promote the cause of Fair Trade in Scotland and, in particular secure Fair Trade Nation status for Scotland. It is funded through the SG International Development Team. It is an independent charity (not for profit company) with its own Board, but currently receives the majority of its funding from the Scottish Government. Its aims are:

- a. To maintain and develop Fair Trade Nation status
- b. To integrate Fair Trade principles into decision-making and procedures at all levels of government in Scotland
- c. To encourage the business community to integrate Fair Trade principles and corporate accountability into all aspects of their business, and to encourage the growth of the Fair Trade sector in Scotland
- d. To develop and enable strategic partnerships with communities and activists
- e. To engage the broader public in Scotland's Fair Trade Nation campaign by raising awareness and encouraging understanding of the role of Fair Trade in creating a more sustainable world
- f. To strengthen links with producer communities and continue to promote awareness of the mutual benefits derived by consumers and producers from Fair Trade.

As well as undertaking support and promotional work across Scotland through Fair Trade towns, regions, schools and college networks, the SFTF has undertaken extensive work in raising the profile of the principles of Fair Trade within public procurement and in supporting local authorities to adopt sustainable procurement practices, as well as making strategic alliances on specific issues (such as with Oxfam Scotland in reviewing the [Scottish Business Pledge](#)).

The SFTF strives to maintain and grow a membership base that reflects the diversity of Scottish society and much of the activities of the small staff team (3.5 FTE) and of its membership very much reflect Fair Trade in Scotland's strength as a community led, civic society initiative. Scotland first achieved Fair Trade Nation status in February 2013 and, after rigorous re-assessment by an independent panel, Scotland retained this status in 2017. The re-assessment found⁶:

- 43% more consumers reporting that they bought Fair Trade products in 2016 than in the preceding year
- According to analysis by the Scottish Fair Trade Forum, in the last four years there had been a 30% increase in the number of towns with Fair Trade status, rising to 65 towns in 2016
- 75% of local authority areas now have Fair Trade status with 70% of higher education institutions and 20% of schools achieving the standard
- Scotland was the second nation in the world, after Wales, to achieve Fair Trade Nation status in 2013 and support sales of products that offer a better deal to workers in developing countries.

⁶Can Scotland still call itself a Fair Trade Nation? Scottish Fair Trade Forum, 2017

1.5 Fair Trade Movement in Scotland

Fair Trade in Scotland has its roots in the 'Alternative Trade' movement which developed over the 1970s, as an alternative trading model and institutional arrangement designed to help producers in developing countries achieve better trading conditions. Campaigners and organisations engaged in the Fair Trade movement advocated the payment of higher prices to developing world exporters, as well as improved social and environmental standards. The strength of the Fair Trade movement in Scotland has been driven by communities, individuals and civic society - rather than led by Government, in campaigning for Fair Trade practices and products in retail, food service and office environments. It builds on a proud history of social justice and the co-operative movement in Scotland. Figure 1.4 provides a timeline of the development of Fair Trade since its inception and Scotland's role in the movement.

1.6 Role of Fairtrade Foundation and Scottish Fair Trade Forum

The Fairtrade Foundation (FTF), based in London, earlier in 2019 celebrated 25 years of promoting Fairtrade certification and the licensing of the FT Mark. The FTF works with many larger scale manufacturers and food service providers in encouraging and supporting the adoption of FT products. It is also responsible for awarding FT status to cities, towns (and smaller communities) as well as educational establishments. It established 'Fairtrade Fortnight' in 1997 as an annual promotional campaign for Fairtrade producers and their products in towns, cities, schools and communities throughout the UK, which has become firmly established as the focus for any Fairtrade promotional activities.



Figure 1.3 Facts and Figures about Fairtrade 2019, Fairtrade International 'Monitoring the Scope and Benefits of Fairtrade' 10th Edition.

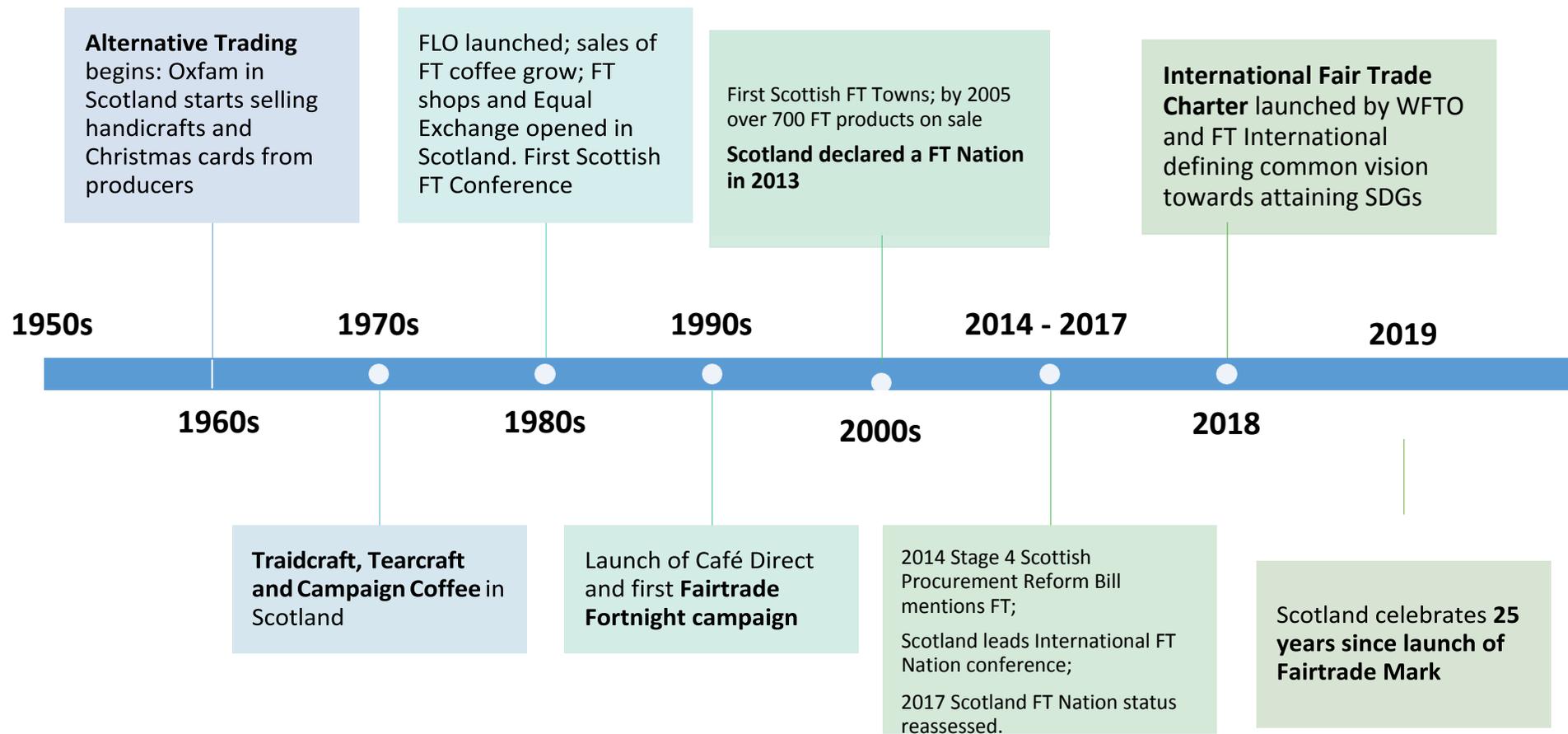


Figure 1.4: Timeline of Fair Trade’s development in Scotland



Figure 1.5: Fairtrade Foundation’s infographic highlighting the importance of communities and civic society in the promotion of Fairtrade.

Increasingly the FTF has focused on its work in licensing the use of the Fairtrade mark in the UK, supporting market growth and new commodities and working with partners to support producer organisations and their networks. It also campaigns at UK Government level and with its Fairtrade International (FTI) partners, which brings together over 20 FT labelling initiatives across the globe, to secure better trading arrangements for FT producers in the developing world.

The Fairtrade Foundation has seen a reduction in grant funding (such as from DFID Programme Partnership Fund, which came to an end at the close of 2016) over recent years and is increasingly reliant on FT mark license fees for its income (which it continues to attempt to diversify through fundraising efforts). Comparing its 2016 and 2018 Annual Reports and Financial Statements⁷, there is a marked reduction in staff numbers and costs which has directly impacted the level of support for promotional and educational initiatives focused on the development of Fair Trade at community level.

The Scottish Fair Trade Forum (SFTF) provides extensive support for town/ city steering groups, schools, colleges and universities through a team of 3.5 staff, a Board of Directors and many volunteers in discrete project specific roles. Inevitably the contraction in FTF employees, has led to further work for SFTF (as with FT Wales) in leading promotional and volunteer support activities.

⁷ [Annual Report and Financial Statements for year ended 31 December 2016, Fairtrade Foundation](#) and [Annual Report and Financial Statements for year ended 31 December 2018 Fairtrade Foundation](#) showed a reduction in staff costing from £4,280,000 in 2016 to £3,552,000 in 2018

FT Fortnight and campaign work has historically been led by at UK level by strong Fairtrade Mark branded messaging and promotional materials. As FTF finds itself unable to devote as much resource to these activities, the role of the SFTF and its corporate partners (such as the Co-operative Group which produces high quality FT material) will continue to increase and offers Scotland an opportunity to differentiate its Fair Trade message.

1.6.1 Fair Trade in Schools & Nurseries

There are 3 stages to becoming a FT school or nursery with the awards FairAware, FairActive and FairAchiever – guidance is provided on the Fairtrade Foundation website together with a database of all FT schools in the UK.

There are several links to the Curriculum for Excellence (CfE) including within Religious & Moral Philosophy, Social Sciences and Health & Wellbeing and SFTF has been pivotal in developing resources to help nursery staff incorporate Fair Trade into the learning experience of their children. Learning materials have been tailored to the CfE to help 3-5 year old children learn about FT through their experience in play, arts & crafts, music and discussions.

Schools and nurseries are encouraged to raise awareness within the nursery, with relatives and the wider community through a wide range of activities from bake sales to producer visits with many challenges available and nurseries encouraged to use FT products – in the staffroom, at meetings, in meals and snacks for children, in uniforms, in cooking and sports activities – including Fairtrade sports balls.

SFTF also produces a Fair Trade Schools and Nurseries Newsletter covering updates on resources, information and news. Resources for nurseries include event ideas, FT nursery rhymes, nursery book, animation and a resource pack and for schools for classrooms, teachers, speakers & campaigns and Just Business resources. In 2010 SFTF piloted a Fairtrade Cotton School Wear Campaign in East Dunbartonshire and this is now active across Scotland.

The themes and values of FT complement the many other awards and schemes such as Learning for Sustainability, Eco-Schools and Food for Life and our research found that many primary schools consider working towards FT school status, alongside their commitment to Eco-School initiatives. The research also showed, both in workshops and through our survey, that there were often weak or no links between local educational establishments and wider community (e.g. Fairtrade Town) Steering Groups. This was most often reported as being due to a lack of time to engage, particularly for teachers. The re-assessment report for Scotland's FT nation status raised the role of SFTF in promoting and supporting regional networks in their work, which is attempting to address some of these issues and regional meetings are currently being held around Scotland to encourage more joined-up localised approaches for peer-to-peer support.

1.6.2 Fair Trade in Universities & Colleges

There are three Fairtrade colleges in Scotland and eleven Fairtrade universities, with FT status for colleges & universities being awarded through the Fairtrade Foundation. The student movement in universities has been central to the success of Fair Trade in Scotland (as in the UK), due to student interest in trade justice and exploitation of workers in developing countries. This has resulted, in some instances, in students' associations being the catalyst for institutional adoption of Fair Trade in their public procurement processes.

College authorities and student unions wishing to promote Fair Trade start the process by adopting a FT policy committing the institution to becoming Fairtrade and creating a steering group of staff and students to oversee the process. The policy must include several goals including FT foods being available for sale in all campus outlets, FT tea and coffee served at all meetings, FT cotton in staff uniforms and campaigning for increased consumption on campus.

The success of Fairtrade universities and colleges, through our interviews, seems to be dependent upon two factors: resources and internal influencers. For example, the University of Edinburgh⁸ is a strong example of a Fairtrade university, encouraged by its student body and professional services staff to become Scotland's first Fair Trade university.

Peter Hayawaka was recruited five years ago, following the Public Procurement Reform Act 2014, to lead on procurement policy with the Procurement Team. This capacity has enabled tailoring of the SG Sustainable Procurement tool⁹ to the university's needs, which enables higher levels of ethical and fairly traded procurement of goods and services than would otherwise be possible in less well-resourced educational institutions.

In another example, the reviewer spoke to a Further Education (FE) College where the Catering Manager was dedicated to Fairtrade and chaired the college's FT Steering Group. Without the officer's interest and commitment, over £200,000 worth of FT beverages and uniforms would not have been procured.

Chapters 4 and 5 will look in further detail at the challenges encountered with public procurement in relations to Fair Trade.

⁸ Interview with Peter Hayawaka, Procurement Policy Officer, University of Edinburgh, October 2019

⁹ <https://www.gov.scot/publications/sustainable-procurement-duty-tools/>

Chapter 2 Fair Trade, Sustainable Development Goals and Scotland's Inclusive Economy

'By strengthening their organisation and marketing skills, by improving health, water and education facilities, by diversifying into new economic activity, and by improving environmental protection programmes, farmers and farm workers in Africa who supply the fair trade market are already working towards making poverty history for themselves. Being able to make a living from the sweat of one's labour should be a basic human right, safeguarded by governments, for all people in Africa and elsewhere.'

Raymond Kimaro, Kilimanjaro Co-operative Union Ltd, Tanzanian coffee producer. At a 'Make Poverty History' rally during the G8 Summit at Gleneagles 2005.

2.1 Fair Trade and Sustainable Development Goals: SDG+?

Fair Trade is regarded by the Fair Trade movement internationally as having a clear role in relation to many of the Sustainable Development Goals launched in 2015. Some ten years after Raymond Kimaro made his speech at a Make Poverty History rally, in a plea to global leaders attending the G8 summit at Gleneagles, his message is never more prescient in addressing Fair Trade's impact in delivering SDGs as a trade-based approach to tackling the climate crisis.

'The new Global Sustainable Development Goals are a big deal for the 1.5 million farmers and workers who work within Fairtrade. Not to mention the other 500 million small-scale farmers and one billion agricultural workers who between them supply 70% of the world's population with food.'

Marika de Pena, Chair of Fairtrade International¹⁰

In 2018 Fairtrade International¹¹ published its manifesto for delivery of the SDGs, highlighting how food production, its producers and the supply chain are relevant to every one of the 17 SDGs. FTI cites several key organising principles that connect all of Fairtrade's contributions to the SDGs. These are:

- a multi-stakeholder perspective
- rights based approach
- capacity building and organisational development
- inclusive bottom-up ownership
- equitable participation
- Presence in more than 100 countries worldwide, working with producers, consumers and the public.

Many FTOs - including SFTF – have focused specifically on SDG12, Responsible Consumption and Production, which addresses both the consumer and the producer through ethical supply chains and aligns Fair Trade closely with the approaches to mitigating climate change impact.

¹⁰ Sustainable Development and Fairtrade: the case for partnership; Fairtrade International, 2018

¹¹ Sustainable Development and Fairtrade: the case for partnership; Fairtrade International, 2018

SUSTAINABLE DEVELOPMENT GOALS



Figure 2.1: The United Nations 17 Goals for Sustainable Development

These principles reflect a sustainable ‘people and planet’ first (before profit) perspective that is central to Fair Trade’s message.

‘Across the whole Fairtrade system is a vision of non-dependency on the production of coffee. Instead, we believe that our farms should help us on food security, give us what our families need and help us to find other products like cocoa, bananas etc. which can feed our families but also be traded locally and therefore provide us with additional income to spend on other products that we can’t grow, like sugar, oil or soap.’

Fatima Ismael, General Manager of SOPPEXCCA coffee cooperative, Nicaragua

2.1.1 Opportunities and Challenges for Fair Trade Alignment to SDGs

In 2018 the International Charter for Fair Trade¹² was launched, providing a common reference document for the Global Fair Trade movement. It describes Fair Trade as a movement which ‘works to transform trade in order to achieve justice, equity and sustainability for people and planet’. As Fair Trade in Scotland aims to embed its messaging and call to action within the SDGs it will need to re-state and emphasise the breadth and relevancy of its core purpose as a movement which seeks change at the heart of economic systems and trading relationships and is of direct relevance to the crisis and sustainable approaches to taking mitigating actions. Indeed, some leaders within Fair Trade have suggested policy inconsistencies between the two in terms of the economic model underpinning their respective goals and principles.

¹² International Fair Trade Charter, 2018.

Fair Trade argues for an equitable trading model where social impacts take precedence over economic indicators such as GDP growth: as a movement it fundamentally questions existing trade models.



Figure 2.2. Graphic from International Fair Trade Charter’, 2019
<https://www.fair-trade.website/the-charter-1>

The SDGs refer, in contrast, to the ‘power of trillions of dollars of private resources to deliver on sustainable development objectives’ (SDG17) and, some commentators argue

‘essentially defend a typical Free Trade agenda (SDG 17 Partnership for the Goals), which is at odds with Fair Trade¹³....Several of the Goals are contradictory, not addressing the Power relationships that exist within Free Trade or how traditional trade models do little to empower communities/ producers at local level.’

Sergei Corbalán, Chief Executive of the EU Fair Trade Advocacy Office.

Corbalán argues that without individual goals being inter-connected to ensure such policy incoherence is eliminated, there will continue to be challenges in achieving global sustainability. He advocates an ‘SDG+’ agenda; the FT movement should be saying ‘we go beyond the minimum’ and are ‘doing even better.’

2.1.2 SDGs and ‘Greenwashing’

Erinch Sahan, Chief Executive of the World Fair Trade Organisation (WFTO) also fears that there are dangers in purely looking at the SDGs and Fair Trade in the light of consumer choices to the exclusion of wider economic injustice. Whilst large corporation’s compliance with Sustainability reporting is to

¹³ Interview with the Chief Executive of EU FTAO, [EU Fairtrade Advocacy Office](#); 29.10.19.

be welcomed, the danger of ‘Greenwashing’ where small changes are made to present the business as ‘green’ should rightly be regarded as piecemeal.

‘We need to move consumers away from these plastic / palm oil questions (... because companies can respond to such concerns) yet still do a million things that are damaging the planet like incentivising deregulation of land use.’

Erinch Sahan, Green consumerism: does it matter?

2.2 SG International Development: Global Citizenship and Beyond Aid

It is within this context - of Fair Trade being both a wider trade and economic justice model as well as a consumer purchasing initiative - that Scottish Government’s commitment to Global Citizenship and the Beyond Aid agenda (through its International Development commitments) and more broadly its response to the SDGs articulated through the Scottish Government’s National Performance Framework¹⁴ is viewed in the remainder of this chapter.

The International Development Strategy (2016¹⁵) committed to enhancing global citizenship in Scotland, by inspiring communities and young people to realise their role as good global citizens in the wider world, passing on the baton to the next generation. Committed citizen action, which sees grassroots support for Fair Trade products, is arguably a key part of that. The Scottish Government’s ongoing commitment to Scotland as a Fair Trade Nation was set out in its International Development Strategy, published in December 2016 with a further three years funding for SFTF secured. Alongside its support of SFTF, the Scottish Government also provides core funding for two further international development organisations: [Scotland’s International Development Alliance](#) and [Scotland Malawi Partnership](#). The three organisations, as independent bodies with separate governance arrangements and strategic purposes, deliver complimentary missions and services.

2.2.1 Scotland’s International Development Alliance (the Alliance)

The Alliance’s strapline is ‘Scotland for a Fairer World’ and is a membership body for organisations and individuals including NGOs, businesses, academic institutions and public sector bodies that operate in over 100 countries which are ‘committed to creating a fairer world, free from poverty, injustice and environmental threats.’ In 2017 the Alliance (formerly NIDOS) re-structured its governance and strategic mission in order to support collaboration across sectors and thus achieve greater impact. Since then this strategy has been particularly successful in securing the membership and active engagement of universities in Scotland who are leading on research topics such as climate justice. It has been harder to achieve meaningful engagement with like-minded private sector companies¹⁶.

The Alliance supports members to improve their impact, facilitates collective policy and advocacy work and promotes the value of international development.

¹⁴ National Performance Framework, The Scottish Government, 2019, the third version of the NPF and the first to align indicators to SDGs.

¹⁵ Global Citizenship: Scotland's International Development Strategy, The Scottish Government, 2016

¹⁶ Interview with Jane Salmonson, Director of SIDOS 5 December 2019

In its policy and advocacy role, the Alliance connects and represents its membership to the Scottish Government and Scottish Parliament, as well as DFID and the House of Commons. The Alliance's current priority areas for policy and advocacy are the SDGs and Policy Coherence for Sustainable Development (PCSD), specifically identifying non-development policy and impact indicators at SG level which do not align with the delivery of SDGs (such as labour rights, trade policy etc.)

SFTF is a member of the Alliance and actively participates in its networking and advocacy work. The synergies with Fair Trade are obvious, with both organisations playing a role in education, policy and advocacy work on sustainable development (although the Alliance is specifically tasked with this in a leadership role and has a Policy lead amongst its staff team of seven). Their aims also align in securing broader engagement of people and organisations in Scotland with international development issues. There is currently little reference to Fair Trade on Alliance's website. Specifically, there are opportunities to work collectively on SDGs in relation to the climate crisis and ethical supply chains at public policy level and to contribute to its policy coherence work. SFTF members who are also members of the Alliance could do more to promote the wider relevancy and visibility of Fair Trade's impact on many of the Global Goals, amongst other Alliance members. This includes SDG 13 referenced in the Alliance's recent report on member contributions to SDGs¹⁷, but not to the exclusion of other SDGs in order to highlight Fair Trade's contribution beyond consumer initiatives.

COP26 provides an ideal opportunity to work with other Alliance members in campaigning for sustainable livelihoods of producers in the global South and promoting the relevancy of Fair Trade to the climate crisis. Building on the success that the Alliance has experienced in attracting academic institutions to its membership, collaborative working with like-minded universities on research areas of relevance to Fair Trade's impact in Scotland could be strengthened and extended (e.g. Glasgow Caledonian University as University of the Common Good).

There may also be an opportunity for some of the Alliance's existing services such as grant management reporting and funding advice to be extended to Scottish FTOs.

2.2.2 Scotland Malawi Partnership (SMP)

The SMP was established in 2004 with the support of the Lord Provosts of Edinburgh and Glasgow. In 2005 the first international development strategy of the SG was published (following the G8 summit the same year) with a particular focus on the relationship between Scotland and Malawi. Later in 2005 a Co-operation Agreement between the governments of Scotland and Malawi was signed and the partnership registered as both a charity and company limited by guarantee. The SMP has over 1,000 member organisations and key individuals, aiming 'to inspire the people and organisations of Scotland to be involved with Malawi in an informed, co-ordinated and effective way for the benefit of both nations.' Like SFTF, the organisation provides a forum for ideas for its members, youth and schools engagement (with a dedicated officer), activities and engagement events.

Synergies with Fair Trade include their partner themes of promoting sustainable economic development in Malawi and Trade, Agriculture and Food security. These partnership areas do not currently reference Fair Trade or members of the SFTF on the SMP website. The SMP also

¹⁷ *Working towards the Global Goals*, SIDOS, 2019..

supports the growth of Scottish markets for Fair Trade, with one third of Malawian products promoted currently being Fair Trade. It is not currently the SMP's role to carry out due diligence on whether the Malawian companies (or UK importers) promoted by them comply with ethical and fair trading practices. SMP regards its role as 'harnessing purchasing power in support of Malawi'¹⁸ rather than setting out to drive sales (of FT or non-FT goods). Where responsibility for this should lie and whether SFTF has a role to play should be explored in further detail to ensure consistency of approach across SGID's commitments.

2.2.3 IDEAS Network in Scotland: Global Learning Centres (DECS)

The SG (through Learning for Sustainability) also funds five Development Education Centres across Scotland in order to encourage Global Citizenship education (GCE).

These centres work with the Alliance, SFTF and SMP where educational priorities align. Several centres, such as Highland One World which was consulted during the review, report strong working relationships between SFTF and their local FT town, zone or university steering groups and promote Fair Trade to schools and other stakeholders regionally. Two of the centres' websites reviewed appeared to have little reference to Fair Trade or within the resources provided.

2.2.4 Beyond Aid

The focus on Beyond Aid has been welcomed by the International Development sector, through its recognition that key global factors, such as trade, migration, investment, environmental issues, security and technology, rather than aid, influences how aid-recipient countries develop. Beyond Aid promotes a twin approach of:

- a. enabling developing countries to engage more effectively with these global factors and
- b. ensuring powerful countries support, or at least do not undermine, developing countries in progressing these issues ('do no harm').

The ID Strategy emphasises the role that government, local government, public bodies, private sector, communities and individuals all have to play in adapting behaviour in support of the goals.

For the SG, this will mean concerted effort on behalf of all SG directorates to begin to align the Beyond Aid approach with other policies that include Scotland's International Framework, the Scottish National Action Plan on Human Rights, Education Scotland's International Strategy, the Trade and Investment Strategy, and the International Social Enterprise Strategy. At a wider level within Scottish Government, the Beyond Aid commitment means beginning to work effectively across Ministerial portfolios to support international aims and identify other policies which can contribute positively to development outcomes whether delivered by Government or public agencies.

In September 2019 the Scottish Government published the inaugural Scottish Government contribution to international development report¹⁹. It references the funded activities and programmes currently operated through the International Development Fund and their outputs to date.

¹⁸ Interview with CEO, David Hope Jones, 8 October 2019.

¹⁹ Contribution to international development report: 2018-2019, the Scottish Government.

‘We have laid the foundations for working with civil society organisations in Scotland’s international development sector on policy coherence, as part of a stepwise approach to ‘do no harm’ and work for positive development outcomes.’

Contribution to international development report: 2018-2019, the Scottish Government

The first stage of the Beyond Aid approach has already been well articulated through the delivery of several actions that support developing countries to better engage with global factors such as Climate Change (including aid for development, a Humanitarian Emergency Fund and the Climate Justice Fund). The second stage focuses on a holistic approach to charging Government, public sector, business and society with the responsibilities of ensuring that behaviours and policies are impacted by commitment to delivering SDGs. This challenging agenda is helped – at Government and Scottish public sector level – through the development and focus of indicators in the re-designed National Performance Framework launched in January 2019.

2.2.5 Global Citizenship Programmes: NHS Scotland

The Scottish Government promotes the ‘Beyond Aid’ agenda out with Government by encouraging and supporting Scottish public bodies, private sector, communities and individuals to embrace its holistic and interconnected approach to realising the Global Goals²⁰. One of SGID Team’s key initiatives has been to work with NHS Scotland on interpreting Global Citizenship principles for the NHS and its employees. SFTF and the Alliance have supported this process. An NHS Global Citizenship Programme has been developed which reflects and supports the existing international development commitments to partner countries, as set out in the SG’s International Development Strategy, in particular the commitment to support capacity strengthening in the area of health. The programme is also intended to make it easier for all NHS staff to participate in global citizenship, both in Scotland and abroad by ensuring better guidance, co-ordination and support.

To support Scottish Government’s vision and the benefits of global citizenship in NHS Scotland, under the CMO’s (Chief Medical Officer’s) auspice, a [Scottish Global Health Collaborative \(SGHC\)](#) was formed. The SGHC is an inclusive multi-disciplinary and cross-sectoral network created to promote greater coherence, co-ordination, collaboration and communication for Scotland’s global health activities.

A ‘Scottish Global Health Co-ordination Unit’ (SGHCU) has also been established²¹ with a facilitation and co-ordination role for health partnership work in NHS Scotland. The aim is also to facilitate cross- sectoral collaboration, including the education sector, academia, the environmental sector and the many diverse sectors which have implications for health, as collaboration will be essential to achieve the SDGs. The Unit has commissioned the production of a comprehensive Active Global Citizenship resource for NHS workers²², which number some 160,000 in Scotland. With input from Development Education Centres, the Alliance, the SFT Forum and Scotland’s Malawi Partnership the resource will take a holistic look at health inequality from global impact at macro-economic policy level (such as trade agreements) to local and household level circumstances and behaviours.

²⁰ <https://www.gov.scot/publications/global-citizenship-scotlands-international-development-strategy/pages/6/>

²¹ <https://rcpsg.ac.uk/college/this-is-what-we-stand-for/policy/global-citizenship>

²² An outcome of the SGHC commissioned report ‘Global Citizenship in the Scottish Health Service’, Royal College of Surgeons and Physicians of Glasgow, 2017.

Fair Trade and Trade Justice is referenced in the resource, to be published in 2020, in terms of awareness raising amongst individual health workers and influencing behaviour change in consumer choices. [Bridge 47](#), an independent development organisation²³ and Scotdec (Development Education Centre) have been commissioned to develop and test the resource with NHS workers. There are enormous opportunities for Fair Trade - and specifically SFTF - to influence and awareness raise in the context of training and events provided for the NHS workforce on active global citizenship. This is a 'quick win', possible through the encouragement of SFTF's increased involvement by SGID. It is less clear how the Trade Justice agenda is currently being directly addressed through NHS sustainable procurement policies, based on the current NHS Procurement Strategy²⁴, which makes no reference to either Fair Trade or fair and ethical trade throughout the strategy.

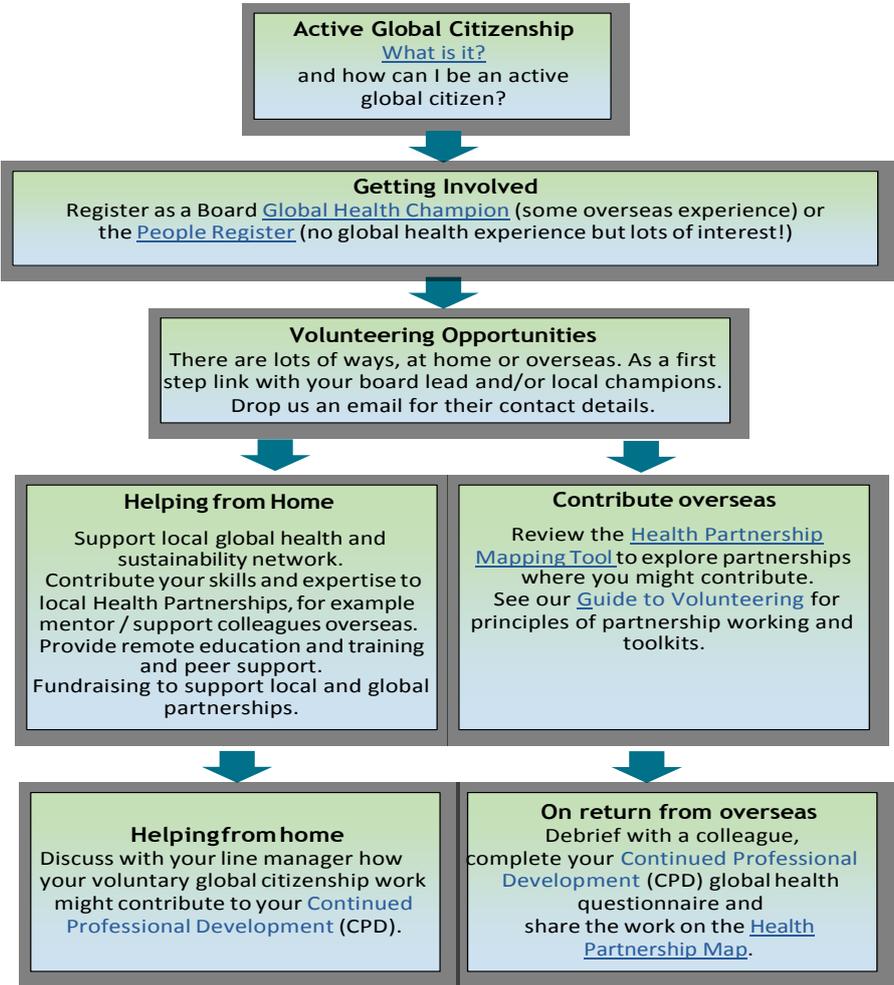


Figure 2.3: Getting Involved in Global Citizenship²⁵

²³ Organisation specialising in developing Global Citizenship Education internationally, with a partnership with IDEAS in Scotland.
²⁴ https://nhsns.org/media/3562/nss_procurement_strategy_2019.pdf;
²⁵ Scottish Government Global Health Collaboration Unit <https://www.scottishglobalhealth.org/>

2.3 Beyond Aid: A European Perspective on Trade and Procurement

With the departure of the United Kingdom from the EU, it is important for the review to look at current development, trade and procurement policies in place in Europe, as Scotland considers both the ‘best practice’ policies it is able to enact at national level, those trade policies on which it must influence the UK Government and those policy areas which represent opportunities for achieving more as a world leader in sustainable development.

European development policy is focused on fostering sustainable development of developing countries, with the primary aim of eradicating poverty. Providing over 50% of all global development aid, the EU and its Member States are collectively the world's leading donor.

The 2030 Agenda for Sustainable Development builds on these successes of the Millennium Development Goals (MDG's) but also goes further; incorporating follow-up from the 2012 Rio+20 Conference on Sustainable Development, and aiming to address poverty eradication, and by 2030 reduce at least by half the proportion of men, women and children of all ages living in poverty. The EU states a strong commitment to making aid more effective and aligning this to development action. The European Commission is part of the Steering Committee of the Global Partnership for Effective Development Co-operation²⁶.

2.3.1 EU Policies on Fair Trade

Despite the increasing support of Fair Trade by EU citizens, the rapid growth of Fair Trade sales in the last 25 years, strong political support from the European Parliament, Committee of the Regions, and in a large number of EU Member States, it has been argued that there is no real European level strategy to promote Fair Trade.

Trade and regulation of business tends to be dealt with separately (and not interlinked) from public procurement policy, as in Scotland (where much of trade policy is still reserved to Westminster). In public procurement ‘sustainable’ is most often seen as purely ‘green’ rather than embracing the 3 pillars of sustainability (including social and economic). The message that FT delivers on all three pillars is an important selling point, particularly within context of the growth of the organic market (in EU 75% of FT products are also organic).

2.3.2 EU Trade Policy and Trade for Aid Policies

Whilst the European Commission has been reluctant to develop distinct policies for Fair Trade as part of members states’ Trade Policy, (in contrast to the EU’s co-ordinated strategy in support of organic agriculture as an alternative farming approach)²⁷, its Trade for All Strategy²⁸ references ‘fair and ethical trade’ as one of the desired outcomes of trade agreements and trade preference programmes and promotes fair and ethical trade as a response to consumer demand.

²⁶ International Co-operation & Development: Directorate General for International Co-operation and Development : <http://effectivecooperation.org/about/partners/>

²⁷ The European Union and Fair Trade: hands off? Deborah Martens and Jan Orbie (Ghent University, Belgium)

²⁸ Trade for All Strategy, European Commission, 2015, p25

In 2018 the European Aid for Trade Strategy update and references 'building on the broadened possibilities offered by 'new generation' EU Free Trade Agreements to support labour rights and the Decent Work Agenda, through the binding social and environmental provisions ²⁹ and calls for support for fair and ethical trade in partner countries.

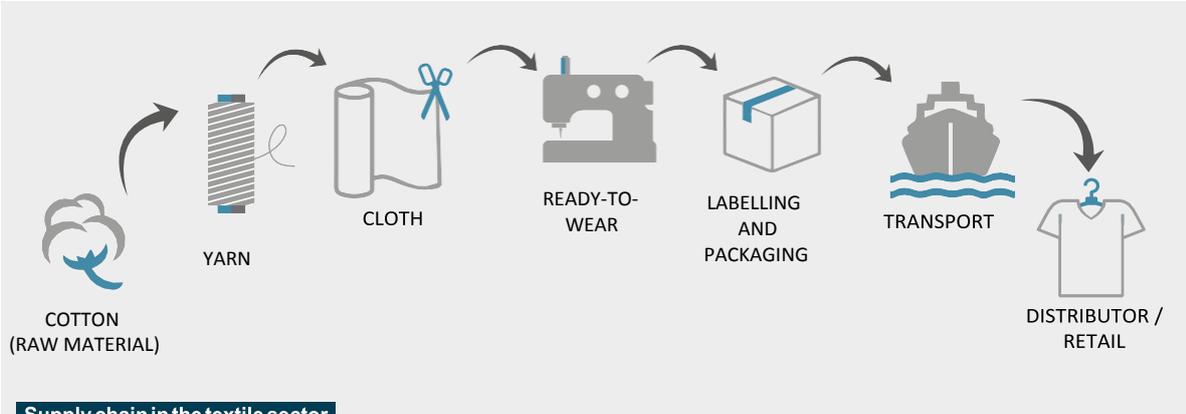
One practical example of promoting 'fair and ethical trade' has been through the Awards for EU City of Fair and Ethical Trade (Ghent in Belgium won the first award).

CASE STUDY 1: GHENT - 'EU CITY FOR FAIR AND ETHICAL TRADE'

The city, in partnership with the Association of Flemish Cities and Municipalities (VVSG) and the City of Ghent have shown real leadership in sustainable procurement by developing a multilingual [Toolbox for Socially Responsible Workwear which is specifically aimed at public procurers to support them in understanding and auditing supply chains relating to textiles](#). The partnership had 3 pillars:

- leading by example,
- supporting pioneers and
- promoting ethical consumption.

The toolkit articulates the principles of socially responsible supply chains, referencing SDGs and takes a due diligence approach to compliance with national and EU procurement policy in sourcing sustainable and ethical clothing. It advocates closer working relationships with key public suppliers to encourage towards more social sustainability in the chain and encourages Cross-border collaboration to exchange best practices.



Graphic from toolkit

The toolkit is a practical and supportive guide reflecting very similar procurement processes to those of Scottish public procurement agencies and could easily be replicated in Scotland, using the pilot approaches outlined. A pilot might be led a Fair Trade University, local authority or purchasing agency.

²⁹ European Aid for Trade Strategy Update, 2018, p9.

2.3.3 EU Procurement Directives and Fairtrade

The EU public procurement rules voted in on 15 January 2014 'make it easy to buy fair' supported by EU Commissioner Michel Barnier and key Members of the European Parliament. The rules enable public authorities across Europe to make a deliberate choice for Fair Trade products, alongside other sustainability considerations.

The law confirms the direction set by the Court of Justice of the European Union in the 'North Holland' case ruling (Commission vs Netherlands C 368/10), which for the first time clarified 'that public contracts can award additional points to products of fair trade origin.'

The opportunity to consider social aspects alongside environmental ones is a step forward from the existing rules. Furthermore, the new Directive explicitly allows referring to robust certification schemes as a proof of compliance with the sustainability requirements set out in call for tenders. The EC Trade for All (TFA) policy report recognised that there was insufficient information for producers and EU consumers regarding access to Fair Trade schemes³⁰. To remedy this the Commission stated that they will use the existing structure for implementation of TFA's to promote fair trade and other sustainability assurance schemes, like the EU organic scheme; address 'fair and ethical trade' more systematically in the upcoming review of the EU 'Aid for trade' strategy and report on fair trade-related projects as part of its annual report.

The Commission committed to promoting - through the EU delegations and in cooperation with the High Representative - fair and ethical trade schemes to small producers in third countries, building on existing best practice initiatives. It also agreed to step up support to work in international fora, such as the International Trade Centre in order to gather market data in relation to fair and ethical trade markets, which could then serve as a basis to follow the evolution of the markets. A final commitment related to developing awareness- raising activities in the EU, in particular working with local authorities in the 'EU City for Fair and Ethical Trade' award.

The new public procurement Directive came into force in March 2014 and EU Member States were³¹ granted two years to transpose it into national law. In Scotland, this was achieved through the Public Procurement Reform Act of 2014.

2.4 Fair Trade Public Procurement in Scotland

The Scottish Procurement Policy Handbook defines public procurement as 'the acquisition, whether under formal contract or otherwise, of goods, services and works from third parties by contracting authorities.'³² Public bodies include central and local government and bodies governed by public law. Several key organisations here include the NHS, fire service and police and public educational institutions such as schools, colleges and universities. These bodies adopt their own policies in line with the law and directed by the Scottish Government's policy.

³⁰ European Commission, Trade for All, Towards a more responsible trade and investment policy. See https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf

³¹ New EU Procurement Directives and Fairtrade, Fairtrade Foundation. See <https://www.fairtrade.org.uk/get%20involved//In-your-community/Towns/Public-Procurement/New-EU-Procurement-Directives-and-Fairtrade>

³² Scottish Government, Public Sector Procurement. www.scotland.gov.uk/Topics/Government/Procurement

Procurement policy in Scotland is a devolved matter. However, it is notable that under the devolution settlement Scotland has no legislative competence to create law that contradicts EU law.³³

The Scottish Government has shown a strong commitment to Fair Trade through its political support of Scotland becoming a Fair Trade Nation. This commitment was strengthened through the inclusion of 'fair and ethical trade' within the Procurement Reform (Scotland) Act 2014 stating that the Procurement strategy must include a statement of the authority's general policy on 'the procurement of fairly and ethically traded goods and services.'³⁴ However, 'fair and ethical trade' is not defined and the Act only makes the statement a requirement, not the adoption of the practice.

The EU Fair Trade Advocacy Office (FTAO) launched its latest a publication 'From local to EU level: Scaling Up Fair Trade in Europe'³⁵ in March 2019. According to the report, the main challenges that Local Authorities promoting Fair Trade face are a lack of internal capacity and financial resources. The report calls for EU support in developing, testing, implementing and upscaling Fair Trade projects, together with calling for EU funding for training and awareness raising for national procurement agencies on applying sustainable development to procurement practice³⁶. The Beyond Aid agenda in Scotland may wish to consider how public procurement can better enable the practical execution of 'fair and ethical trading' embedded in national policy.

2.5 Policy Coherence for Sustainable Development (PCSD) and Fair Trade

SDG 17 Partnership for the Goals calls for the enhancement of 'policy coherence for sustainable development' as a key means of implementing all global goals. A recent publication tracking countries' progress towards policy coherence by the OECD, found that, according to countries' Voluntary National Reviews, this presents a major challenge. It requires meaningful collaboration and co-ordinated action across both policy sectors and different levels of government. It also requires balancing short-term priorities with long-term sustainability objectives and considering the impact of domestic policies on global well-being outcomes.³⁷ PCSD is the key challenge for Governments committed to a holistic approach towards sustainable development, connecting both domestic and international policies with impact globally. The report demonstrates the importance of strong institutional and governance mechanisms in empowering people to meeting the inclusivity challenge.

The UK Government published a report in June 2019 on progress towards delivery of the SDGs, with the SG's report due late in 2019. Oxfam in Scotland recently consulted with civic society on what Scotland could be doing to further the delivery of SDG17³⁸ and commented on several action taken by the SG's as an international leader (such as hosting an Inclusive Growth conference with OECD and IMF in 2017) and through its refreshing of the National Performance Framework align its 11 outcomes to SDGs.

³³ Scotland Act 1998. See <http://www.legislation.gov.uk/ukpga/1998/46/section/57>

³⁴ Procurement Reform (Scotland) Act 2014. See <http://www.legislation.gov.uk/asp/2014/12/part/2>

³⁵ From local to EU level: Scaling Up Fair Trade in Europe, Fair Trade Advocacy Officer, Jan. 2019

³⁶ Ibid. p17

³⁷ OECD (2019), Policy Coherence for Sustainable Development 2019: Empowering People and Ensuring Inclusiveness and Equality, OECD Publishing, Paris, <https://doi.org/10.1787/a90f851f-en>.

³⁸ <http://uwsoxfampartnership.org.uk/wp-content/uploads/2019/06/On-Target-July-2019-Web-FINAL.pdf>

Within the framework two outcomes are mapped to Goal 17:

We are open, connected and make a positive contribution internationally.

We respect, protect and fulfil human rights and live free from discrimination.

As part of the Oxfam report, the Alliance has commented on PCSD in Scotland and provides a Wiki resource mapping progress, calling for the SG to undertake a more detailed analysis of where policy incoherence might arise, and how key synergies might be leveraged, particularly in relation to International Development³⁹. This Wiki resource was developed to foster collaboration between sectors; with the Scottish Parliament and environmental NGOs already committing to develop the resource further from new angles. The Alliance hopes SG will make the same commitment.

2.5.1 Scotland's National Performance Framework (NPF)

'The NPF is Scotland's wellbeing framework. It explicitly includes 'increased wellbeing' as part of its purpose and combines measurement of how well Scotland is doing in economic terms with a broader range of wellbeing measures. These indicators incorporate a wide range of different types of data – from social attitudes and perceptions to economic and environmental statistics – in order to paint a picture of Scotland's performance..... The values also inform decisions about what is prioritised to make progress on the National Outcomes and purpose, and how to behave to get there. This means placing greater emphasis on openness and transparency...'⁴⁰.

Scottish Government, 2019

Indicators for the NPF's outcome area for international development are currently under development. However, if PCSD is to be applied holistically and lead to fundamental shifts in behaviour at Government, business and civic levels, every outcome needs to consider how it relates and impacts on wider global issues, rather than purely interrogating policies from the perspective of 'doing no harm to our current international development agenda'.

The Framework potentially represents a first step towards re- thinking Scotland's economic model towards a 'Wellbeing Economy' focused on a humanity rather than GDP, growth driven model. The First Minister, Nicola Sturgeon, has spoken on the international stage about 'Wellbeing' outcomes becoming central to the way Scotland measures its success as a nation.

Initially the NPF focused on domestic interpretation of the global goals rather than assessing domestic actions against their wider international impact, such as trading practice. The ID Minister for the SG has publicly announced his commitment to establishing a Ministerial cross-departmental working group to assess all SG policies through the Sustainable Development lens.

2.5.2 The NPF: Towards a Wellbeing Economy that Embraces Fair Trade

The graphic on the following page (p26) highlights the relevance of at least 7 of the NPF outcomes to Fair Trade, both within the domestic market (and the FTOs who are attempting to develop domestic sales)/ how support for enterprise operates and international trade impact for developing countries producers.

³⁹ https://pcsdscotland.miraheze.org/wiki/Main_Page

If a 'Wellbeing economy' is defined as one in which 'humanity defines economics not the other way round'⁴¹, then fairness and equity in trade to benefit the most marginalised communities of the world directly suffering the consequences of richer countries' consumption, must be part of the NPF's approach.

'The good news is that rich countries don't need more growth in order to improve people's lives. We already have enough income; the problem is that it's captured at the top. If we share what we already have more fairly, we can improve people's lives right now without having to plunder the Earth for more. Fairness is an antidote to the growth imperative.'

Jon Hicks ⁴²

This review recommends that the SG Global Citizenship commitments to Fair Trade are re-framed to embrace this holistic approach towards achieving well-being in both international relationships and domestically, so that rather than Scotland contributing internationally to the achievement of the Global Goals by developing countries, Global Citizenship is seen as an integral and multi-directional commitment to achieving 'Shared Value' in the joint pursuit of global goals.

'Shared Value through community level impact at international level is the only way to achieve the global goals'⁴³ commented Ian Walker, Senior Director of Global Impact for Johnson & Johnson... 'Global citizenship is not one-directional. 'My future is tied up with yours.'

Ian Walker, Johnson & Johnson, 2019

The acceptance that non-development policies are recognised as impacting on the global Goals by large companies such as J&J, indicate opportunities for Global Citizenship alliances with likeminded corporate sector companies.

2.5.3 Interrogating Fair Trade Practices for Policy Incoherence

The Fair Trade movement, and specifically the FLO Fairtrade certification scheme, has itself faced criticism in the media in recent years. This has tended to focus on questioning the validity of the Fairtrade audit processes and secondly its environmental credibility.

Several stakeholders in the Fair Trade movement consulted during the review commented on the lack of urgency with which some of this criticism has been addressed by Fairtrade leadership. Environmental criticisms have largely been focused on the use of water, its preservation and water intensive crops (such as flowers); Fair Trade crops contributing towards deforestation; Fair Trade crops' previous use of pesticides -once widely accepted and supported by development and aid internationally - now found to pollute land and Carbon intensive exporting practices. Recent trends for locally produced foods and the 'Food Sovereignty' movement also questions the long term support of retailing and consuming Fair Trade produce.

⁴⁰ Scotland's Wellbeing – Delivering the National Outcome: Scottish Government, May 19. P4

⁴¹ [Wellbeing Economy Alliance Scotland](#), home page

⁴² Hicks, J; Should we pursue boundless economic growth? Prospect magazine, 12.06.19

⁴³ Interview with Ian Walker, Johnson and Johnson, 3 December 2019

A further major theme of criticism by Fair Trade activists themselves has been the FTI strategy of encouraging large brands and retailers to adopt Fairtrade Mark certification for 'own brand' product lines. This 'high risk' trend of relying on a few multi-nationals for scaling up Fair Trade sales has, it is argued, been characterised by a lack of transparency in reporting and information sharing by these companies, including 'traceability' concerns where a large coffee/ tea plantation supplies both Fairtrade and non-Fairtrade commodities. It has also led to a situation where – due to scale - many farmers supplying the Fairtrade market are tenants and not smallholder producers with voting rights within a farmers' co-operative, resulting in variable or weak policies for community sustainable development.

Many of these criticisms are being addressed through developments such as:

- Strengthening the audit of environmental practices within the FT certification scheme;
- Promoting crop diversification and in-country food security;
- Focusing on promotion of FT commodities which cannot easily be grown in the North's climate;
- Interest in developing renewable energy for freight transportation and
- Further scrutiny of traceability and 'single source labelling' to differentiate and provide transparency.

In the spirit of transparency, it is important that Fair Trade in Scotland responds openly and pro-actively to these questions as they are raised within the context of 'do no harm' and policy coherence. If Fair Trade (and its representative body in Scotland, SFTF) is to become an authoritative voice on identifying policy incoherence where it exists, it must also be open to responding and advocating for change within the Fair Trade system itself.



Figure 2.4 National Performance Framework and Fair trade’s alignment to the indicators

2.5.4 Scottish Government and Agencies: Progress Towards PCSD and Fair Trade

For the purposes of this review interviews were conducted with several policy leads within the Scottish Government working in policy areas with clear synergies to Fair Trade, as well as public agencies funded by the SG such as Scottish Enterprise and Highlands and Islands Enterprise. The review asked them to articulate how they believed Fair Trade fitted with their policy remits and where further collaboration might be possible. The policy areas consulted on were:

- Learning for Sustainability (education & skills)
- Trade (including Brexit readiness)
- Human rights
- Fair & Inclusive workplaces
- Social Economy
- International Climate Change
- Sustainable Public Procurement

The review also spoke to:

- Scottish Enterprise Social Economy lead
- Highlands and Islands Enterprise Sustainable Communities lead
- Scottish International Development Alliance
- Scotland Malawi Partnership
- Highland One World Group (DEC)
- Oxfam Scotland
- International Social Enterprise Observatory
- Community Enterprise In Scotland (CEIS)

One of the most significant findings from these interviews, was the consistently poor knowledge levels or understanding of the principles of Fair Trade, beyond a general awareness of the existence of FT Mark certified products. There was a lack of basic Fair Trade literacy and in some cases a misunderstanding about what FTOs delivered in terms of their social purpose in supporting producers to import to Scotland and the UK.

If Scotland as a Fair Trade Nation is to achieve real growth in Fair Trade and build on its achievements as a civic society initiative, it must impact upon policy delivery and in this respect further awareness raising and education across both SG directorates and public agencies is required. Whilst there is much evidence of existing efforts and initiatives to 'join up' policy and practice areas, there is a key role for the SFTF in leading dialogue on the embedding of Fair and Ethical Trade within the policy frameworks and practice procedures of these bodies, in partnership with other internationally focused and social enterprise led organisations.

A summary of the findings from these interviews are given in the following table together with recommendations (pp37-41).

2.6 Learning Points

2.6.1 Fair Trade Messaging and SDGs

The SDGs provide an opportunity for Fair Trade in Scotland to ensure that its messaging and advocacy work clearly articulates the current and worsening impact of climate change on developing world producers. This could be achieved by highlighting best practice examples of fair trade producers mitigating climate change impacts through social enterprise, employee ownership and action.

Fair Trade's wider social objective of campaigning for economic and trade justice needs to be re-stated in reference to the SDGs and the SG NPF's indicators and placed at the heart of all campaigning. This should go beyond FT as purely a consumer oriented labelling initiative. In particular regards to SDG13 Responsible Production and Consumption, aligning Fair Trade to the Goals is a good starting point, but there is a danger that this restricts its message and reach to being misunderstood as a solely consumer oriented approach.

Where Fair Trade adoption and alignment is already taking place within the public and third/social enterprise sectors, its visibility should be increased and aligned with SDGs. This might be enhanced through the development of an appropriate branding/logo to be utilised in branding and publications of all SFTF members and partners, Scottish organisations and businesses. Leadership by example will only be effective if it is visible. Public agencies, business, the Scottish Parliament and Scottish Government's existing procurement and offer of Fair Trade goods within the buildings and at events requires more consistent promotion and branding.

2.6.2 Global Citizenship Education: Upskilling and Awareness Raising

Stakeholder understanding and informed awareness of Fair Trade in the context of Global Citizenship is generally poor, even amongst International Development NGOs. Knowledge rarely extends beyond the FT mark a consumer labelling initiative. Priority should be given to global citizenship education for and upskilling of business, government public and third sector policy makers and procurers, with SG directorates (beyond ID) and its agencies having a key responsibility for ensuring that SFTF has access to appropriate forum.

2.6.3 Identifying Priority Areas for Eliminating Policy Incoherence

The business led working group drafting a draft Action Plan for Business and Human Rights should urgently consider independent scrutiny of auditing of their proposal by an independent agency such as the Forum or the Alliance in order to eliminate policy incoherence. The Scottish Business Pledge is also a clear area of inconsistency in terms of Global Goals implementation and fair and ethical trade globally, particularly in terms of its interpretation of business responsibilities within the international supply chain.

Within the Scottish Government and its agencies, priority should be given to policy coherence and 'doing no harm' in relation to International Trade policy and Sustainable public procurement and further work is required across SG directorates to provide a meaningful definition of what Ministers regard as 'fair and ethical trade'.

Public agencies and organisations representing business (largely small business) need to improve their awareness of Fair and Ethical trade within the context of contributing towards the Global goals and NPF indicators. Again, there is an obvious role for both the Forum and the Alliance's members to provide training and engagement activities.

All projects and businesses receiving funding through SGID should be subject to due diligence in relation to fair and ethical trading and supply chains, in common with the mechanisms currently being developed between Human Rights and International Trade policy. This includes attention to governance and parent importer companies (where these are not the same as the producer).

Sight should also not be lost of the most fundamental policy incoherence issues relating to Wellbeing economy vs GDP growth economic models. These two divergent approaches to macroeconomics continue to sit uneasily together with the framework of NPF indicators.

Transparency and accountability also apply to the Fair Trade movement itself. In Scotland the Forum also has a leadership role, on behalf of the movement, in responding to criticism of existing Fair Trade practices and advocating change to the Fairtrade status quo where policy incoherence exists.

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
<p>Climate Change International</p>	<p>Main area of relevance to ID perceived to be existence of the Climate Justice Fund, recognising that the poor and vulnerable at home and overseas are the first to be affected by climate change.</p> <p>Since 2017 focus on 2 strands: Climate Challenge Action Fund (Malawi) and Climate Justice Innovation Fund: must be Scottish based organisations working in medium/low rated UN Development index countries with specific priority given to SG’s priority countries (also Zambia, Rwanda and Pakistan).</p> <p>Most discussion centred around helping developing countries to mitigate climate change ‘in country’ rather than changing domestic trading and procurement practices to support sustainable livelihoods.</p> <p>Good practice examples of this approach in funding, through Climate Justice Fund of Water Futures Programme Malawi: SG working with UK retailers to ensure water sustainability for Malawian communities and their key export products: tea and coffee.</p> <p>Glasgow hosting COP26 in December 2020.</p>	<p>Scotland Malawi Partnership</p> <p>Climate Action Fund</p> <p>SIDOS – Alliance for International Development for all who are ‘committed to creating a fairer world, free from poverty, injustice and environmental threats’ - works with SG on Climate Justice Innovation Fund.</p>	<p>CLIMATE CHANGE is the main challenge for producers of food and crop based commodities (e.g. cotton) and their importers and is directly impacting FT in terms of water preservation, crop failure etc. for smallholders & their families today.</p> <p>Opportunities to support FT producer-led initiatives (such as with FT Africa), rather than only funding projects to ‘ensure voices are heard’?</p> <p>Where engagement strong with UK retailers on water sustainability, this conversation should be extended to reflect wider ethical and fair trading principles.</p> <p>COP26: Key opportunities exist for improved messaging communicating urgent impact of climate change on developing countries (caused by the North) and how Fair Trade is a solution, which can empower producers to address issues encountered following Climate Change Action legislation.</p>

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
<p>Education: Learning for Sustainability (Lfs)</p>	<p>Curriculum for Excellence cross-curricular approach to learning e.g. social studies and globalisation of trade; fairness & equality for cohesive communities.</p> <p>Very much dependent on teacher’s professional judgement on ‘relevance’ to student’s learning and their existing knowledge; there is no guidance that students must learn about FT; there have been challenges in embedding sustainability learning into practice;</p> <p>Fit with SDG 4.7 young people’s awareness of SDGs & global citizenship</p> <p>Climate emergency and local responses to addressing inequalities</p> <p>One Planet Working Group: One Planet: an agenda for living</p>	<p>Development Education Centres (DECs) funded by SGID. Provides schools with support to explore sustainable development at international level but can be dependent on geography of school in relation to centre.</p> <p>However, DECs don’t necessarily have a FT focus, depending on local focus and priorities. Highland One World Group is very active in this area.</p> <p>Scotland Malawi Partnership (SMP) funded by SGID. Civic society initiative promoting Scotland – Malawi links through a Co-operative agreement between the two countries; promoting sustainable economic development and building Scottish market for products;</p> <p>Full time Youth & Schools Engagement Officer in post to develop links and promote understanding of Malawi amongst young people; Education Scotland supports cross-curricular school ‘Malawi days’ as easier to integrate within curriculum.</p>	<p>Liaison with Education Scotland (or at least awareness raising) on the need for ‘fair and ethical trading’ to be embedded as part of Lfs curriculum;</p> <p>SFTF to work with SG Lfs on raising awareness of FT schools as a model for delivering the cross-curricular commitment and use as an Lfs outcome indicator;</p> <p>‘Relevance’ central to teacher’s responsibilities under CfE so need to highlight FT in relation to current themes such as Climate Crisis and Brexit threats to trade; also examples of environmentally sustainable FT practice by producers;</p> <p>Holistic approach to ID support requires further scrutiny of products/ businesses promoted from Malawi and whether practice represents ‘fair and ethical’ trade (similarly for other commercial projects supported with ID funds);</p> <p>Explore how funded youth engagement posts in DECs and SMP could more effectively support their partner SFTF in promoting awareness of Fair Trade and/or consider resourcing similar role in SFTF).</p> <p>See also Adult Learning recommendation (chapter 6 recommendation)</p>

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
<p>International Trade</p>	<p>Scotland a Trading Nation: our export growth plan⁴⁴ – key document; focus is on next big markets; 15 priority countries (incl. China) and longer term interest in the South (Brazil, Nigeria, South Korea, India)); SG follows FCO (Foreign and Commonwealth Office) guidance on which countries Scotland can work with; where FCO guidance specifically advises not trading within a country due to human rights violations SG would remove from their priority list.</p> <p>Strategy expects ‘Scottish businesses to adopt ethical business practices, conduct appropriate due diligence on business partners and to be aware of local business conditions in export markets.’ SG public agencies carry out due diligence where public funding is provided.</p> <p>Investment: Due Diligence Checking⁴⁵ guidance issued – developed with Human Rights Team (below)</p> <p>Commitment to social, environmental and other goals ‘how SG wants to trade as well as what we want to trade’⁴⁶.</p>	<p>Scottish Business Pledge: international element (see below); Work on Due Diligence check for Exporting businesses – with Human Rights Team (see below).</p>	<p>The record of nations in term of human rights, living wage and labour relations (in terms of both their own citizens and supply chain due diligence), doesn’t feature in criteria for selecting target market countries, although FCO guidance is followed: key future area for PCSD in Scotland, the onus cannot simply be on business to adopt appropriate due diligence checks or to assume established practice is always sufficient.</p> <p>Bringing due diligence in supply chains to the forefront of Scottish Development International and Business Pledge exporting due diligence, for micro and small businesses on which Scottish economy depends;</p> <p>Key PCSD opportunity is to influence Free Trade Agreements regardless of Brexit outcome, in favour of developing country producers and ensure post- Brexit tariffs do not negatively impact producers (currently reserved power).</p> <p>Support developing country producers to access Generalised Systems of Preference (currently a barrier for many due to complexity of requirements).</p> <p>Piloting support for developing trade relationship between priority African country and Fair Trade producers as model of good practice for scaling up fair and ethical trade practice. Scotland brand?</p>

⁴⁴ [Scotland: A Trading Nation – 1.7 Scotland a good global citizen](#)

⁴⁵ [Investment: Due Diligence Checking’](#)

⁴⁶ [Trade Policy - Response to UK Government Consultations on Future Free Trade Agreements, Nov.18](#)

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
Human Rights and Fair Work	<p>National Action Plan ⁴⁷ largely domestic in focus with little attention to international human rights; International outcome focuses on Business & Human Rights, with working group of business organisations & SHR Commission developing an action plan;</p> <p>Current focus of team on ensuring protection of Human Rights following Brexit, but work underway regarding due diligence for exporting businesses on HR;</p> <p>International Engagement tends to be seen as influencing other nations through sharing examples of good, fair work in Scotland rather than ‘what other countries are doing wrong’. (2018 Human Rights Framework).</p> <p>Fair Work focused first on Scottish workforce by expected to extend responsibility for investigations down supply chains;</p> <p>Fair Work Action Plan – wage rates, living wage/ engagement with UK Govt; mainstream policy area; Established independent Fair Work Convention</p>	<p>Aligns closely and Scottish Business Pledge.</p> <p>Despite refresh to the Business Pledge, it does not currently address ‘responsible business abroad’ (as well as at home)</p> <p>Elements of Scottish Business Pledge have just been reviewed: several mandatory criteria – 3 of them are the first 3 Fair Work criteria. Encouragement to go for full Business Pledge award. Businesses must select 5 further commitments from a menu of 7, one of which relates to Internationalisation. This is seen in terms of opportunities for Scottish business growth:</p> <p>‘Access to international markets drives business performance and scale, while facing international competition drives business innovation and productivity growth.’ No reference to fair work or trading practices internationally.</p>	<p>Priority for SGID or one of its sponsored agencies such as SIDOS or SFTF to influence the draft Action Plan on Business and Human Rights</p> <p>Currently no independent ID presence on working group and is, in effect, self-auditing within sector).</p> <p>Need to ensure that PCSD is applied relating to fair and ethical trading; this includes:</p> <ul style="list-style-type: none"> • supply chain practices • Tax transparency (Fair Tax) • Fair wage and freedom of association <p>Key opportunity for Scotland as a Fair Trade Nation to have PCSD relevancy</p> <p>Need for Human Rights policy to embrace the Human Rights of workers within international supply chains on which much of Scottish consumption currently depends.</p> <p>Business Pledge currently does not reflect Global Citizenship commitment. There is an opportunity, aligned to wider International Trade work, to see international markets as more than a productivity opportunity, but as a responsibility for doing business ethically.</p>

⁴⁷ <http://www.scottishhumanrights.com/scotlands-national-action-plan/>

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
Social economy (Scottish Enterprise and HIE)	<p>Building Scotland's Future Today⁴⁸ is SE's current strategy framework which states that Wellbeing stands alongside sustainable & inclusive economic growth;</p> <ul style="list-style-type: none"> • seeks to embed fair working practices into economic growth, focused on quality job creation & retention & increasing productivity. Exporting key to framework. • references Fair Work several times and Employee ownership models; no reference to Fair and ethical trading practices, supply chain issues (except in relation to flow). • Social Economy Manager appointed to SE to develop a more cohesive approach to joining up social and business economy strategies. • Definition of social enterprise seen to include 'added value for the Scottish economy' and benefit to Scottish community necessary in order to be eligible for SE services. • Sustainable Business' grants focus on practices within Scotland to reduce costs, waste, packaging, fuel etc. 	<p>Social Enterprise Strategy 2016-19⁴⁹ sees inclusive growth & social enterprise as going hand in hand. SG Third Sector Team is sponsor Team for several social enterprise agencies supporting growth in Scotland.</p> <p>Scottish Business Pledge (see above)</p> <p>International Social Enterprise Observatory (under CEiS) has been established to assist the development of Scottish social enterprise international markets with a focus on Global Citizenship. Currently focused on exporting expertise/ products but could equally relate to importing practice and support for innovation in product design.</p>	<ul style="list-style-type: none"> • Review criteria for accessing support from traditional enterprise agency routes; FTOs primary aim is to benefit disadvantaged communities and producers through fair trade, not to benefit local (domestic) communities but this is currently an essential criterion for support; • Clarify support for Scotland's FTOs (albeit currently micro-entities) providing a clear route map for support defined. Support is vital for FT importer/ supplier growth – and sustainability of supply chain to the consumer; • Key opportunity for developing mutually beneficial North-South and even North-North FT models where disadvantaged communities in Scotland work in partnership with Fair Trade importers; • Focus and FT messaging on ethical supply chains and SDG 7 should be promoted in enterprise sector, with SGID SFTF having a distinctive leadership voice in this agenda. • Explore partnership with International Social Enterprise Observatory (under CEiS)

⁴⁸ <https://www.scottish-enterprise.com/media/3109/scottish-enterprise-building-scotlands-future-today.pdf>

⁴⁹ <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2016/12/scotlands-social-enterprise-strategy-2016-2026/documents/00511500-pdf/00511500-pdf/govscot%3Adocument/00511500.pdf>

POLICY AREA	PROGRESS IN PCSD IN RELATION TO FAIR AND ETHICAL TRADE	RELATED POLICY AND ACTIONS OF OTHER AGENCIES / SG DIRECTORATES	NEXT STEPS: OPPORTUNITIES AND RECOMMENDATIONS
<p>SUSTAINABLE PUBLIC PROCUREMENT</p>	<p>The National Performance Framework sits within the legislation of the Procurement Reform (Scotland) Act 2014 and Sustainable Procurement Duty⁵⁰. It requires public organisations to: ‘Consider how they could improve the social, environmental and economic wellbeing of the area in which they operate, particularly focusing on reducing inequality. They are required to publish their planned approaches in their annual procurement strategies.’</p> <p>Statutory Guidance offers a <u>range of tools and information</u> to support both buyers and suppliers interested in bidding for public sector contracts. This is underpinned by further <u>guidance</u> for buyers on how to apply the duty and take an ethical approach in individual procurements.</p>	<p>NHS Scotland: current Procurement Strategy;</p> <p>Active Global Citizenship resources</p> <p>International Trade Policy</p> <p>Scottish Enterprise ‘Building Scotland’s Future Today;</p> <p>Climate Change Justice</p>	<ul style="list-style-type: none"> • Review of Procurement strategies of Government, its agencies (NHS etc.) and public sector against principles of Active Global Citizenship • Use the Fair trade principles to reach of useful definition of ‘fair and ethical trade in Sustainable procurement policy. • Consider how the Scottish and local economy focus of the defined purpose of the National Performance Framework could highlight the wider international development aims included in the further guidance for buyers ‘Sustainable procurement guidance’⁵¹ including using ‘Fairly and ethically traded.

⁵⁰ <https://www.gov.scot/policies/public-sector-procurement/sustainable-procurement-duty/>

⁵¹ <https://www.gov.scot/collections/sustainable-procurement-guidance/>

Chapter 3 The Fair Trade Market in Scotland

3.1 Introduction: Fair Trade and the Consumer

Fair Trade goods represent one of the greatest successes of the ethical consumer movement in recent years, becoming a mainstay on almost all supermarket shelves. The Ethical Consumer⁵² magazine, which conducts regular research into the ethical market in the UK, states the four main benefits of Fair Trade as being:

- a. **Minimum price** to producers;
- b. **Environmental standards** related to water, no Genetically Modified Organisms (GMOs) and minimize use of fertilizers and pesticides;
- c. **Workers' rights**: freedom of association, collective bargaining and non-discrimination and
- d. **Social**: social premium used for projects such as sanitation, schools and medical facilities.

In fact, the publication regards Fair Trade to be so important in driving change around the world that it awards an extra mark in its scoring system to products that carry the Fairtrade label. However, as the evidence demonstrates, there is no room for complacency in terms of both direct sales to consumers and the challenges of securing FT product listing in major supermarket chains and food service provider offerings.

This chapter and the following Chapter 4 reflects on a number of key primary and secondary data sources collated and analysed for the review, including international Fairtrade Mark market data, Scottish Government commissioned Scottish grocery sales data (from Kantar Worldpanel), two online surveys conducted by the review team, stakeholder interviews and workshops to elicit FT campaigner, retailer, supplier and importer views.

3.2 Consumer and FT Sales in UK and Scotland

3.2.1 Consumer Stated Behaviour in Scotland

When the SFTF was gathering data in 2016 for Scotland's reassessment as a Fair Trade Nation, consumer awareness of Fair Trade products was reported to be at an all-time high, with 90% of those Scottish respondents surveyed⁵³ having definitely heard of Fair Trade (compared to 81% five years before) and 7% thinking that they had (8% previously). This is supported, at a UK level, by survey data from Kantar Worldpanel⁵⁴ showing that 83% of people trust the FT Mark. In Scotland (2016 survey) 43% respondents indicated that they had purchased Fair Trade products in the past year, with over half of this group also indicating that they would be prepared to pay more for FT branded goods of the same quality, and 40% indicating that they would pay the same.

⁵² <https://www.ethicalconsumer.org/why-shop-ethically/why-buy-fairtrade>, 22.02.2019

⁵³ Fair Trade consumer surveys carried out for Scottish Fair Trade Forum in 2012 and 2016, Progressive Scottish Opinion.

⁵⁴ Kantar Worldpanel: The Popularity of Fairtrade in the UK: Kantar UK Insights, 26.02.2018
<https://uk.kantar.com/consumer/green/2018/the-popularity-of-fairtrade-in-the-uk/>

As with all market research, how consumers state they will behave and how they actually purchase often do not align (referred to as ‘consumer hypocrisy’ in academic studies of behaviour⁵⁵) and this is no different for Fair Trade. Moreover, ethical consumer behaviour has been found to often be inconsistent and open to change.

For this reason, this review has sought to explore how a more accurate baseline of Fair Trade sales in Scotland can be established, and then how future measurements and efficacy of new interventions can be evidenced together with other market growth indicators. This Chapter firstly looks at the FT /Fair Trade market at an international level and then, secondly in relation to market consumer trends to contextualise the level of known sales in Scotland.

3.2.2 Market Context: Global Fair Trade Market

Whilst Fairly traded commodities and manufactured products cover many product groups including, homeware, jewellery, handcrafts, beauty products and clothing, the main markets of scale are found within the food system. Figure 3.1 illustrates the key players in the value chain for food production and where potential choke points exist. A key highlight is that within the global food chain, around 500 companies control 70% of food choice. At a Scotland level, this is seen through the predominance of a handful of supermarket chains and food service providers supplying domestic consumer, hospitality and public and corporate sector markets.



Figure 3.1: From Oxfam’s Behind the Barcode Campaign report 2013: illustration of the ‘choke’ points in the food system

⁵⁵ Gillani, A., Kutaula, S., Leonidou, L.C. et al., 'The Impact of Proximity on Consumer Fair Trade Engagement and Purchasing Behavior: The Moderating Role of Empathic Concern and Hypocrisy', Journal of Business Ethics (2019).

There are over 30,000 certified Fairtrade products available to market worldwide and Table 3.1 provides a global breakdown by country of Fairtrade sales in 2017 -18, demonstrating the importance of the UK FT market -worth £2013M– to global Fairtrade sales. These figures comprise estimated sales of consumer products in stores and supermarkets ('retail sales') and direct sales of products consumed in cafés and restaurants, etc. ('out of home sales'). The countries listed are those with a national Fairtrade organisation or a Fairtrade marketing organisation. 'Rest of world' incorporates sales of Fairtrade products in all other countries for which data were available. Ireland has also seen a surge in recent growth and Sweden, which the review selected for its benchmarking study, has a similar growth trajectory to the UK. To date, it has been impossible to gauge the percentage of the Scottish sales annually recorded, since the data is not disaggregated by jurisdictions of the UK.

Table 3.1: Country 2017 (in €) Growth in Fair Trade certified product sales globally

COUNTRY	2017 (in Euro)	% GROWTH
Austria	304,000,000	13%
Belgium	145,000,000	8%
Brazil	10,539,685	**
Canada	296,557,255	11%*
Czech Republic/Slovakia	25,659,253	**
Denmark	134,317,800	15%*
Finland	233,532,569	23%
France	561,000,000	5%
Germany	1,329,345,276	15%
Hong Kong	4,563,458	**
India	2,764,715	**
Ireland	342,000,000	26%
Italy	130,032,000	16% ▼
Japan	93,687,248	4%*
Korea	30,478,322	**
Luxembourg	13,500,000	25% ▼
Netherlands	290,383,920	8%
Norway	120,795,621	22%*
Philippines	212,789	**
Poland	22,491,011	**
Spain/Portugal	35,243,798	12%
Sweden	394,375,476	6%*
Switzerland	630,583,295	12%*
Taiwan	7,377,960	**
UK	2,013,662,284	7%*
USA	994,122,992	5%*
Rest of world	96,287,099	
* Growth rate is based on local currency		
▼ Growth rate reflects an adjusted 2016 figure		
** Validated growth rates for countries with a Fairtrade marketing organization are not available due to a change in the reporting		

The Ethical Consumer’s Market Report for 2018⁵⁶ provides the following commentary:

‘It has been a strong year across the board for ethical food and drink... The market grew by 16.3%, the largest increase since 2012, suggesting that it has recovered from the fall in sales of Fairtrade products seen in 2014. This is great news for certifications, after several announcements in 2016 created fears that the market could return to a decline. Despite Sainsbury’s, Mondelez and Tesco all indicating that they would move away from the Fairtrade scheme in 2017⁵⁷, other retailers, brands and consumers have all demonstrated ongoing faith in independent certifications....Fairtrade volume sales were up 2.5%, however this was far outstripped by growth in value sales – up 7.0% for the year – suggesting that buyers are placing greater value on Fairtrade goods.’

Ethical Consumer Market, 2018

Table 3.2 provides a breakdown of sales growth across ‘ethical and fair’ food and drink in the UK and records the same 7% growth in 2017. Notable is the growth of Rainforest Alliance purchases in recent years. The Rainforest Alliance differs from FT in the focus and strategy of their missions. FT standards are designed to tackle poverty and empowers smallholder producers in the world’s poorest countries, giving them a guaranteed minimum price for their products. Rainforest Alliance certification focuses on how farms are managed, with certification being awarded to farms that meet the comprehensive standards of the Sustainable Agriculture Network (SAN), a coalition of local, grassroots organisations. It is also, for many producers, manufacturers and retailers a much less expensive certification scheme due to the less stringent audit procedure.

Table 3.2: Extract from Table on Ethical Food and Drink from Ethical Consumer Markets Report 2018

Ethical Food and Drink	2010 £m	2016 £m	2017 £m	% Growth 2016-17
Organic	1,475	1,810	2,000	10.5%
Fairtrade	1,094	1,608	1,720	7.0%
Rainforest Alliance	1,198	2,377	2,955	24.3%
Vegetarian products	540	574	657	14.5%

3.2.3 International and UK Market Trends for Fair and Ethical Products

Market research data internationally shows a major shift in both consumer demand for and retailer/supplier sourcing of more ‘sustainable’, ‘ethical’ or ‘fair’ products in the past five years.

A recent survey conducted by the International Trade Centre and European Commission⁵⁸ found that 85% of retailers (of a total 1832 retailers drawn from eight countries within the EU, not including the UK) reported increased sales of sustainable products over the past five years and 98.5% consider sustainability as a factor in product sourcing. The standards used more frequently for beverages are

⁵⁶ Ethical Consumer Markets Report 2018 p10

⁵⁷ References: 2 <https://www.marketingweek.com/2017/07/14/fairtrade-ethical-commitments-trust/>

⁵⁸ The European Union Market for sustainable products: International Trade Centre with European Commission, 2019.

Fairtrade and Organic standards: 26% and 21% of retailers used these standards for sourcing beverages in 2015-2017 respectively. Organic and Fairtrade are also most frequently used standards in the food sector: 25% of retailers used Organic standards for sourcing food products, and 15% of retailers used FT.⁵⁹

These trends reflect a growing consumer consciousness of what can be described as the 'provenance' of what we buy:

'... there is now I think more hunger for things that feel less anonymous – less a product of some global supply chain. So, being able to point to a particular factory or a particular farm where this product you've just bought was actually made – there's a premium to that.'

Justine Hess, Associate Head of Global Monitor at Kantar Consulting

Part of the move towards more sustainable sourcing practices at the European level can be explained both within the context of the UN (SDGs but also the greater mandatory regulation being introduced at European and UK level relating to Sustainability Reporting. In 2018 the UK adopted [The Companies, Partnerships and Groups \(Accounts and Non-Financial Reporting\) Regulations 2016](#) transposing the EU Non-Financial Reporting Directive in UK regulation. Sustainability standards are now central across all sectors and major companies must produce a sustainability report now through ESG (Environmental, Social and Governance) Disclosure. Other broader 'ethical trading' schemes such as Ethical Trading Initiative and Marks and Spencer's 'Plan A' focusing on transparency in the supply chain have also been developed. This creates both opportunities and challenges for Fair Trade:

'Fair Trade in itself is no longer a unique selling proposition and authentic companies, such as Divine (Chocolate) can struggle against the 'sustainability' hype of the multi-nationals'

Pauline Tiffin, Vice Chair of Divine Chocolate, stakeholder interviewed⁶⁰

It is also important to note that whilst the SFTF 2016 survey reported that consumers would be prepared to pay a little more for Fair Trade products, broader market research indicates that the emergence of two tiers of 'ethical consumer' who are described as light and dark green. The Deep Green⁶¹ consumer accounts for 9% of consumers who make a planned choice to 'buy green'; however, most concerned consumers are light green and perceive a trade-off between environmental aspects and other product attributes, most notably price.

*'Imagine it's Friday afternoon and you are needing a fix of chocolate. The works vending machine has the usual major brand of milk chocolate and beside a bar of FT Ghanaian chocolate. What will make you switch from your usual brand? Three things: **Utility**, it's got to taste as good, **Price** – it has to be competitive and **Availability** – it's got to be available and visible wherever you shop, which means the social business has to be scalable (to meet*

⁵⁹ When reviewing this data, it is important to note that the retail sector in Europe is very different from that in the UK, with far greater diversity in retail business and less prominence of major supermarkets in the food, drink and household products categories.

⁶⁰ Journal of Fair Trade www.joft.org.uk P Tiffin, Editor, Journal of Fair Trade

⁶¹ Wüstenghagen, University of St Gallen, Switzerland, Marketing Review St Gallen, Sept 2018, quoted in several European market reports.

demands and scale of larger distribution companies and networks).'

Ian Walker, Senior Director of Global Impact, Johnson and Johnson

As this comment illustrates, buy-in to Fair Trade is as much dependent on price as it is on making a conscious ethical behaviour change for many individual and corporate consumers. This is problematic when there is a huge difference in 'costs to market' and impact on producers, their voices and FT premium, between a Fair Trade certified in-house supermarket product and a FT item produced by an FTO with social purposes as their mission. The margins, due to scale and the way they do business are bound to be differentiated. Divine Chocolate for example, can never compete with Lidl or Aldi on the price of their fairly traded chocolate. Yet the latter continue to score at the bottom of Oxfam's Supermarket scorecard on their transparency and due diligence in relation to supply chain human rights abuses⁶².

Ensuring competitive price points of the offer 'on shelf' is key for major retailers. 'cost is king', according to Leigh Sparks, Professor of Retail Studies at University of Stirling and leading commentator on the Scottish high street.

'The sustainability agenda is more an opportunity (for retailers) to reduce waste in the broadest sense, with retailers tending to think about it in terms of financial efficiency. At the higher end consumer level there is acknowledgement that traceability is a consumer issue, though this has receded slightly due to larger concerns around profit, price and Brexit⁶³.'

Leigh Sparks, telephone interview for review, September 2019

Professor Sparks believes the biggest threat (and therefore focus for) major supermarket retailers in Scotland is the discounted retailer market threatening major household names. He believes that 'ethical' sourcing will continue to be a niche, higher end consumer issue in the short term, as major retailers 'choice edit' their Fair Trade offering and de-list major FT brand names such as Divine Chocolate (see case study later in this chapter).

3.2.4 Fair Trade Actual Sales in Scotland: Assessing Retail Consumer Sales

This review encountered several challenges in attempts to obtain sales data for Scotland and Fair Trade. In summary these were: firstly, most published market research data on consumer direct sales purchases is provided only on UK and GB level and is focused on FT Mark certified products only; secondly there is a reluctance of the larger 'multiple' retailers to provide commercially sensitive market intelligence (i.e. till sales), and thirdly Food Service providers' delivery of public and corporate contracts account for huge volumes of FT certified sales in the UK and Scotland through public procurement contracts, but FT sales data for these markets is not collated and reported on a Scottish level. For example, one FE College Procurement Manager in Glasgow we spoke to estimated that coffee sales amounted to £80,000 and £60,000 tea sales in the last academic year. An important market was therefore not quantified in this review and it was not possible to identify this market's contribution to the known impact of these sales in Scotland. To address this data deficit, the review has:

⁶² <https://indepth.oxfam.org.uk/behind-the-barcodes/scorecard/>, 2019

⁶³ Interview with Professor of Retail Studies, Stirling University, September 2019.

- a. Identified that most supermarket retailers use [Kantar Worldpanel](#) for the provision of consumer sales of FT certified grocery products and approached Kantar for data broken down to Scotland level (see Table 3.3);
- b. Carried out an online survey of suppliers, importers and retailers to Scottish FT Market;
- c. Conducted 1:1 qualitative interviews with the Co-operative Group's and Waitrose's Sustainability and Sourcing Managers and attempted to contact several more major retailers and food service providers (unsuccessfully). The Co-operative Group is the only multiple retailer growing the volume of its FT offering achieving a 21% GB market share in 2018 (growth of 6.3%), whilst Sainsburys currently retains the largest market share of FT sales, though this will reduce when (and if) it follows through on its announcement in 2017 to withdraw from the FT Mark certification scheme, in order to offer its own unaudited 'fairly traded brand' and
- d. Interviewed and canvassed the opinions of several FT companies including Divine Chocolate Ltd, Kools Skools and in Scotland Just Trading Scotland and Bala Sports, which are included in case studies within the following chapters.

3.3 Scottish Fairtrade Certified Grocery Sales

Kantar collates sales data for supermarket retailers on FT Mark certified products through its panel of 30,000 households across GB (UK and Northern Ireland), with the household number proportionate to population size in each of the jurisdictions. Sales are recorded through each household scanning the barcodes of every item purchased for their grocery shopping (see Figure 3.1 and Table 3.3). Total sales are collated through each household scanning the bar codes of every grocery item purchased. Key findings from this data were:

- a. For the 52 weeks ending on 5 November 2017, sales amounted to over £74 million in Scotland, **and to £67. 8 million at the same week in 2019;**
- b. This demonstrates a significant **9% decrease** in sales in Scotland from 2017 to 2019;
- c. There is a similar decline seen across the UK (GB) of 8.5% between 2017 and 2019;
- d. The products showing highest growth in sales over the two-year period **were wine (26%) and instant coffee (24%);**
- e. The largest sellers in Scotland remains '**grocery impulse**' items (£18 million), even after the sales decrease, whereas the highest selling product group across GB is 'grocery edibles';
- f. Across GB the highest growth sales were health and beauty products (such as cotton wool, soaps at 57%) and milk and cream, such as sweetened food drinks at 72%;
- g. Whilst remaining the highest selling category the most marked decline was **60% decline in grocery impulse purchases** which include such as biscuits and confectionery (chocolate) which saw a decline of 55% and 61% respectively.

These figures appear to contrast with the 7% growth reported is for ALL sales channels (in Table 3.1) and across all product groups (including non-grocery categories) cited by Fairtrade International (FTI) in its report of 2018 international FT Mark product sales. The Fairtrade Foundation's Director of Public Engagement provides the following explanation:

‘Kantar only measures Grocery sales whereas the FTI data includes out of home outlets too. The Kantar data therefore does not capture sales of Fairtrade coffee in Greggs for examples and Greggs is the third biggest coffee seller in the UK’.

Julia Nicoara, Interim Director of Public Engagement, Fairtrade Foundation

Greggs⁶⁴ has been selling FT tea, coffee, hot chocolate, orange juice, apple juice and bananas for 10 years now. Food service suppliers’ sales (servicing major contracts to both public sector and corporate business) such as Brakes and BIDfoods also contribute significantly to the FTI total sales data.

The main reasons for sales decline in FT certified sales are related more to the reduced offering of FT certified confectionary products in favour of ‘own brand’ certifications such as Cocoa Life and in-house ‘fairly traded’ supermarket brands. Choice editing has also been undertaken by supermarket retailers, to ‘de-list’ premium FT certified brands such as Divine Chocolate due to its higher price point and anticipation of the wider consumer demand for low cost products. Decline is therefore not

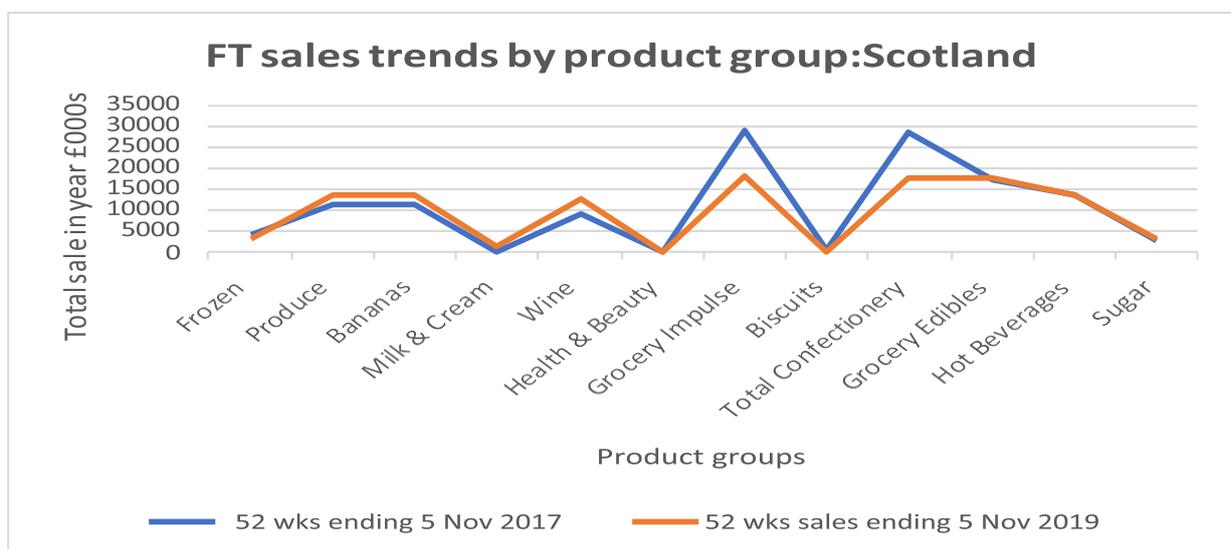


Chart 3.1: Sales of Fairtrade Marked products in Scotland over 2017 and 2019 showing trends in household purchases (Kantar Wordpanel data).

due to deliberate change in consumer behaviour, but rather retailers changed behaviour due to economic factors. Sainsburys, Tesco and Asda all took decisions in 2017 to reduce their FT offering, often in favour of own-brand schemes. Most significantly, Mondelez (Cadbury’s) withdrew from certified FT licensing in favour of their own Cocoa Life due diligence, having a major impact on the number of FT certified products sold (and for the revenues received by FTF).

⁶⁴ the premium paid for the coffee sold in their stores over the last 13 years has enabled farmers to invest over £2.5 million into their farms and communities. Greggs plc Annual Report and Accounts 2018 ‘Delivering our Strategy’, 2018; page 16.

In addition, with a concern to be competitive on price and maintain profit margins in challenging economic conditions, retailers have taken a conscious decision to limit the range of FT products on offer, particularly around confectionary and impulse purchases, including biscuits, nuts and chocolate, by 'delisting' brand offerings such as Divine Chocolate.

More work is required to improve the comprehensiveness of FT Mark sales data for Scotland in order to take account of the large corporate and food service markets. However, this baseline, will in future enable progress in the growth of Fairtrade Mark certified product sales to be measured and market trends tracked to consumer purchases in Scotland for major commodity groups. It is also a strong demonstration of the commitment in Scotland to ethical consumer choices (linking well to SDG on **Responsible Consumption**) and potentially to the NPF's **International Development** indicator.

Table 3.3 Kantar Worldpanel consumer Fairtrade sales 2017 and 2019.

	Spend £000s		
	52 w/e 05 Nov 17	52 w/e 05 Nov 17	52 w/e 05 Nov 17
Total FT Grocery Sales GB	837044	798614	-5
Total FT Grocery Sales Scotland	74,009	67,809	-9
Frozen	4,339	3,348	-30
Produce	11,675	13,784	15
Vegetables	-	-	
Fruit	11,622	13,772	16
Bananas	11,604	13,762	16
Poultry	-	-	
Milk & Cream	-	1,545	100
Wine	9,431	12,774	26
Health & Beauty	-	-	
Grocery Impulse	29,248	18,233	-60
Biscuits	644	416	-55
Total Confectionery	28,568	17,736	-61
Confectionery	27,684	16,129	-72
Seasonal & Gifting	-	1,607	100
Crisps Snacks & Nuts	-	-	
Grocery Edibles	17,512	17,714	1
Table Sauces & Pickles	-	-	
Herbs & Spices & Aids	-	-	
Hot Beverages	13,561	13,791	2
Food Drinks	4,402	3,402	-29
Herbal Tea	-	-	
Instant Coffee	2,532	3,312	24
Liquid+Grnd Coffee+Beans	3,898	4,164	6
Tea	2,126	2,570	17
Sugar	3,003	3,154	5

Where unrobust (less than 100 buyers) a '-' replaces data; Food Drinks = majority Cocoa but also has malted drinks;

Green text indicates significant increased sales; red text decreases in sales.

3.4 Summary Learning Points: Fairtrade Certified Produce Sales in Scotland

- a. There is a marked decline in Fairtrade sales over the 2 years between November 2017 and November 2019 of 9%, largely attributable to reduced sales of 'grocery impulse' and confectionery items.
- b. The figures provide an invaluable benchmark for Fairtrade sales in Scotland against which future growth in product areas can be measured.
- c. There continues to be a need to encourage and work with major retailers to promote consistently Fairtrade certified products, building on the success of partnerships at national and local level with the Co-operative Group.
- d. This importance of 'food service' and major providers to this market underlines the need for more effective partnerships with this sector, including educating and upskilling the providers and those corporate and public sector procurement agencies on Fairtrade's importance within Global Citizenship Education.
- e. The power of major retailers in the food value chain needs to be recognised as a key 'choke point' for growth.

3.5 Retailers and Suppliers: Online Survey

The online survey was hosted on the SFTF website and promoted through social media, to suppliers, importers, distributors and retailers to the Scottish market. An invitation to participate in the survey was distributed to all Scottish FTOs and suppliers/retailers registered with the SFTF totalling approximately 50 businesses/enterprise (41 retail and 22 supplier) amounting to approximately 50 separate companies. All businesses/enterprises held on the database are based in Scotland and do not include the larger UK supermarket retailers with the exception of Scotmid.

The survey was also circulated to the eleven members of the UK Fair Trade Leaders Forum (which include Cafédirect, Divine and Liberation Nuts) and promoted via the Fairtrade Foundation's Business newsletter 'Fair Comment' which is distributed to all commercial business partners holding FT certification licenses. In order to supplement this data, further research into filed accounts of FT businesses was undertaken, but this proved impossible due to all registered companies being 'micro-entities' in terms of EU accounting roles (up to £630k turnover per annum) and therefore not required to file full accounts.

The survey sought to establish, by organisational structure, the level of sales of Fair Trade products, sales trends, barriers to growth and business/social enterprise need for support in growing their sales and market. The survey allowed anonymised responses to encourage engagement. A total of 49 respondents completed the survey, largely from Scottish based social enterprises, co-operative businesses and businesses with a social mission; 35 of respondents could be described as Scottish companies representing a 70% response rate in terms of known Fair Trade Organisations trading in Scotland. As anticipated, only one 'PLC' multiple retailer responded to the survey and chose not to provide sales data. This mirrors previous experience of the SFTF in attempting market research with larger commercial businesses and retail chains.

Table 3.4 below provides a breakdown of the way in which respondents described their business or organisation. Respondents were offered more than one response to this question, with three retailers (majority FT) also indicating that they operated as distributors/ wholesalers/importers and five of the nine wholesalers also importing produce directly. One of the five food service providers also stated that they retailed and distributed FT products. Those stating that they were a Fair Trade Organisation included those that sold produce on a voluntary basis, through school, FT steering group or church base stall.

Table 3.4: Breakdown of online survey respondents’ description of their business type (total respondents = 49) where some respondents chose more than one category

Answer Choices	Respondents: %	No.
Retailer: the majority FT	37%	18
Retailer: a minority FT	8%	4
Wholesaler/ distributor: supplying only FT goods	18%	9
Importer of Ft commodities	16%	8
Food service using FT produce	14%	7
A Fair Trade Organisation	39%	19
	Answered	49

Chart 3.2 shows the legal entity of respondent or in some cases the most dominant legal entity - if respondents selected more than one - such as co-operative registered as a limited company, or social enterprise also registered as a charity.

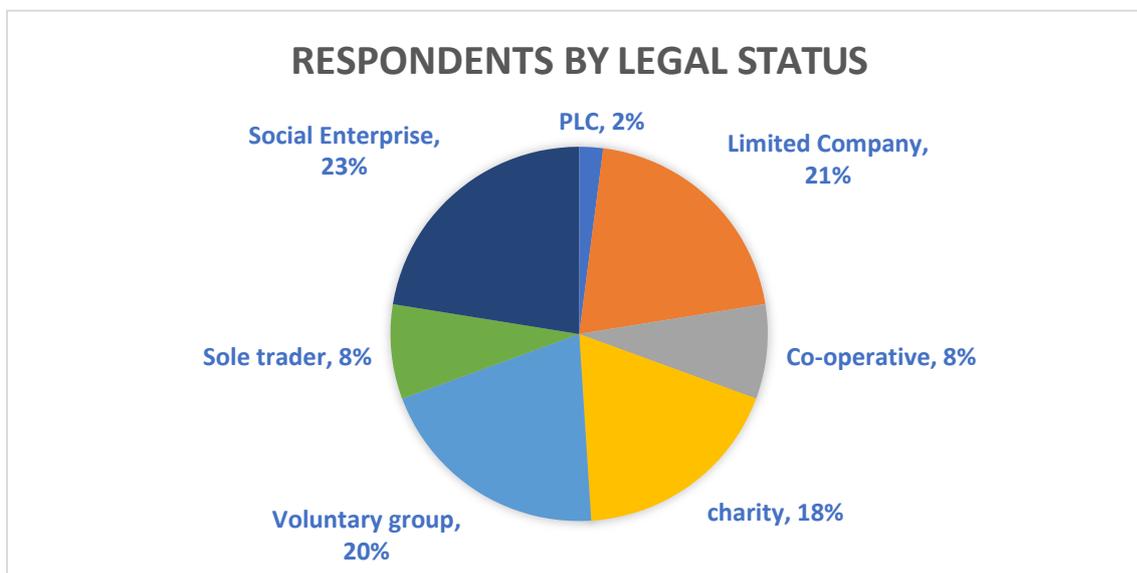


Chart 3.2: Respondents by legal status (n = 49)

Of the 11 respondents describing their organisation as a social enterprise, several also identified themselves as being:

- Community Interest Companies (3)
- Community benefit society (also a Co-operative and a Ltd company) (1)
- Limited companies (2)
- company owned by a charity

For the purposes of the review, the ten voluntary groups which participated in the survey have been extracted from further analysis, since they do not represent businesses or social enterprises operating on a full time basis to grow their turnover.⁶⁵

Taking the remaining 39 responses of enterprises focused on importing, wholesaling and/or retailing Fair Trade products, four businesses (three retailers and one wholesale/distributor) were based in **England but supplying the Scottish market**, with the remaining respondents Scotland based.

The larger England based enterprises that responded reported considerably higher Fair Trade sales across the UK in their last financial year than their smaller Scottish counterparts, as is seen in the figures of the first three businesses listed in table 3.5 (in comparison to the highest sales in Scotland being £274,000 for a Scottish importer/ Wholesaler).

Table 3.5: Range of sales achieved in most recent reported financial year from England based companies supplying Scottish market

England-based Organisations	Total UK sales
Co-operative Group (retail and food service)	£164,870,000
Retailer (minority FT), hot beverages, homewares and handicrafts	£4,000,000
FT Wholesaler/ importer/ food service provider	£1,140,000
FT Wholesaler/distributor clothing	£130,000

3.6 Scottish Respondents: Enterprises

Of the 35 Scottish respondents, 20 chose to provide information on their sales in the latest reported financial year (2018, month depending on the enterprise's year-end) which is given in Table 3.6.

Table 3.6: Scottish Respondents sales (those which chose to provide data)

Scottish respondents providing sales data					
	Number	Highest sales	Average total sales	% sales Scotland	Median average sales growth forecast in FT products
Retailer: majority FT	18	148,000	51,900	10 - 100%	15%
Wholesaler/importer	5	274,000	96,614	50-100%	61%

Most respondents were optimistic about sales growth, with only two respondents predicting zero growth. Median sales growth for wholesaler/importers was skewed by two respondents predicting very high levels of growth. Six respondents indicated that they were entirely dependent on Scotland

⁶⁵ This is not to under-estimate the value of the sales that campaigner groups contribute to fair trade in Scotland; one voluntary group indicated that they had generated more than £2,500 sales of fair trade goods in recent months.

based sales. The British Association of Fair Trade Shops (BAFTS) indicated that its retailer members are generally reporting a decrease in sales, compared to BAFTS suppliers, where sales history is more variable⁶⁶.

Table 3.7 Product or organisation ethical certification schemes (*which include certification and membership schemes) stocked by respondents (29 responses)

Ethical certification schemes retailed or supplied by respondents		
Answer Choices	Responses	No. of respondents
Fairtrade Mark (registered certification from the Fairtrade Labelling Organisation)	83%	24
WFTO (World Fair Trade Organisation) Guarantee Scheme	41%	12
Rainforest Alliance/ UTZ	10%	3
Cocoa Life (Mondolez)	0%	0
Leaf Marque	3%	1
Fairly traded in-store own brands	10%	3
Non-certified but fairly traded direct imports (e.g. Just Trading Scotland rice)	52%	15
Other (please specify)	34%	10

Table 3.7 demonstrates that the most commonly supplied ethical branding or certification was the FT Mark. Non-certified fairly traded direct imports (such as Just Trading Scotland’s Kilombero Rice) were stocked by 12 of respondents, whilst the WFTO organisational membership Guarantee Scheme was selected by 10 UK suppliers/ retailers.

Other ‘ethical’ or Fair Trade certification or membership schemes included:

- Traidcraft
- Global Shea Alliance
- Soil Association SPP (small producer partnership)
- British Association of Fair Trade Shops certified suppliers
- Good Weaves
- Global Organic Textile Standard (GOTS)
- General ‘organic’

The most common FT product category sold was hot beverages, with 40% respondents supplying tea, coffee, hot chocolate (Chart 3.3 below); chocolate and ‘other food’ follow, with no sales for flowers and wine in Scotland. This is not surprising since flowers and wine are generally merchandised in large retailers with own brand offerings of these commodity groups (such as England based Co-operative Group reported earlier in this chapter). Handicrafts were sold by nearly 30% of respondents. Other products not specifically listed in the survey but cited by respondents were natural skincare (3), homeware (3) and one wholesaler cited cacao nibs and powder. A total of four enterprises sold all 5 commodity categories, and 3 of these were FT retailers.

⁶⁶ Data provided on request for the purposes of the review, November 2019.

BAFTS has confirmed that it has 9 members in Scotland amongst its network. Two are shop members (both of which responded to the survey), and 5 are certified supplier members (one of which also has a retail outlet), with a further 2 direct sourcing retailers. Scottish BAFTS members account for £1,989,500 of turnover per annum across the UK, with the largest organisation accounting for £1,284,700 of this total.

No one commodity group was clearly identified as being a faster growing product group in Scottish sales terms, although a total of 4 respondents did state handicrafts as a growth area and a 2 further homewares. One respondent cited 'zero waste' products. Through our consultations and workshops there was also little appetite found for focusing on a single commodity group for promotion and increased sales of Fair Trade products in Scotland. This was largely due to the need to diversify products ranges in order to minimise risks caused by supply constraints (such as crop failure, import issues).

Of those that answered the question relating to future plans, over half (12) stated that they would be increasing their product range over the next 2 years, with only slightly less (11) stating that they would retain the same range. All the larger respondents (with sales over £150,000) stated that they would be retaining the same product range. Only 1 respondent (a retailer) planned to reduce their product range of Fair Trade goods.

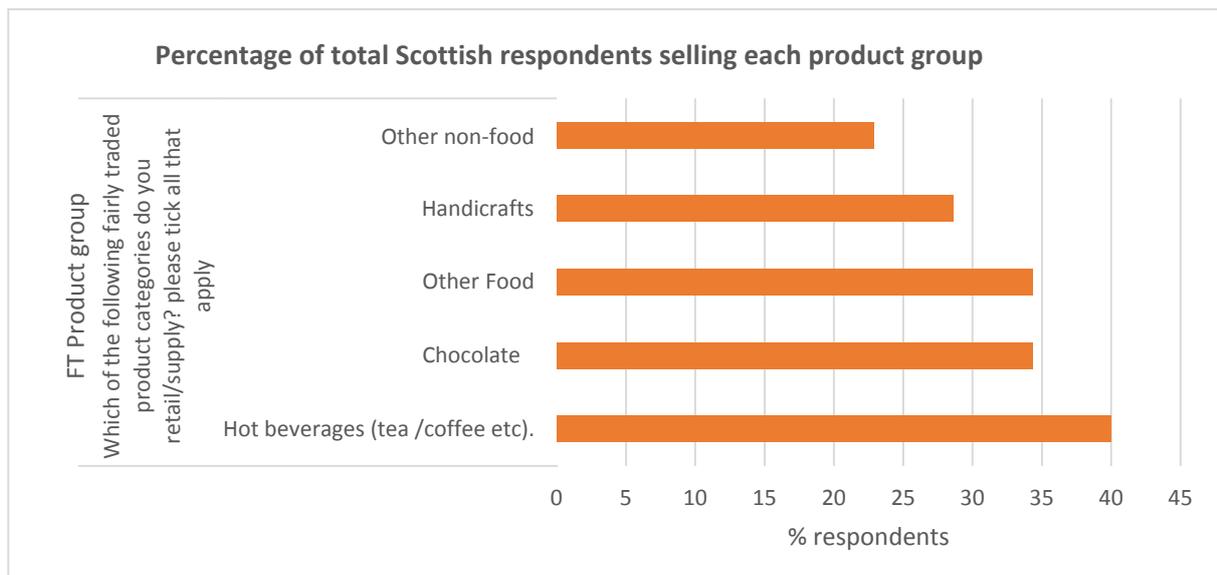


Chart 3.3: Fairly traded product categories sold by retailers/ suppliers (29 respondents)

CASE STUDY 2: SCALING UP A FAIR TRADE ORGANISATION - DIVINE CHOCOLATE LTD

'Dignified Trading Relationships'

Established in 1993, [Divine](#) is a highly regarded Fair Trade Organisation (FTO). Although its headquarters is based in the UK, the Kuapa Kokoo Ghanaian Co-operative owns 45% share of the company. It was established by and for the benefit of smallholder Ghanaian farmers (35% of which are women) and produces high quality Fairtrade certified chocolate and cocoa products.



Source: Olivier Asselin

Essential attributes of successful FTO

- Robust model of business management
- Quality of product
- Segmenting the market: know your audience and be realistic about their likely motivation
- Resilience!

In 2006 the company achieved its first profitable year, and by 2018 turned over £16 million in sales,

with the majority (64%) coming from the non-UK market. It employs 34 staff and also operates in Sweden and the USA. The final product is manufactured in factories in mainland Europe.

Sophi Tranchell is the company's CEO and in 2017 took the business through the process of verification as a **B Corp**, demonstrating the whole organisation's commitment to ethical trading and employment practices. She believes the FTF's focus on seeking global player conversion to the FT Mark label (Cadburys: Mondelez), had led to FT failing to deliver in terms of transforming trading practice.

Since the Brexit referendum and the devaluation of sterling against the euro, Divine has fought hard to maintain its market share, with major retailers 'choice editing' to reduce the premium offers on shelf, in anticipation of consumer demand for lower prices.

Current challenges to Fair Trade social enterprise in the UK are:

- Supply chain: future costs of importing finished product from mainland Europe
- Cashflow and Standard Terms of trade with supermarkets in UK: suppliers are paid some 60 days after end of the month
- Practices of global brands (e.g. Amazon purchasing USA Wholefoods and passing price of promotions onto the supplier, which renders product uncompetitive in price)
- Fractured and inefficient distribution network to towns level and demise of wholefood wholesalers: opportunities to address in Scotland
- Competing with lower price retailers' in-house Fairtrade certified goods: supermarkets are using CSR budgets for some of the 'cost of goods'
- Young consumers have high expectations but don't look too far beyond the brand or hype.

Interview with Sophi Tranchell, CEO, Divine Chocolate Ltd. 2 December 2019

Chapter 4 Opportunities and Barriers to Growth: Fair Trade Sales and Awareness in Scotland

4.1 Introduction

Over the course of the review, the opportunities for, and barriers to growth of Fair Trade sales, public awareness and the adoption of Fair Trade in Scotland were assessed.

This research highlighted key themes for opportunities and barriers for Fair Trade in Scotland, which can be summarised as follows:

- Consumer 'Fair Trade' literacy and Fair Trade's added value
- Supply and distribution of FT products to market, specifically handicrafts
- Messaging/presentation of Fair Trade
- Access to public procurement contracts
- Brexit and implications for international trade and procurement policies and practice
- Enterprise support for Scottish FTOs
- Building volunteer capacity: Fair Trade Networks in Scotland.

In each of these themes, both opportunities and barriers to growth in sales and Fair Trade awareness were identified. Figure 4.1 on the following page outlines a SWOT analysis facilitated with the SFTF team and research team members, which outline some of the key areas identified.



Figure 4.1: SWOT analysis of the current position of Fair Trade sales and its promotion in Scotland (facilitated session with SFTF staff July 2019)

4.2 Fair Trade Campaigner Roles and Perceptions

The Fair Trade campaigner survey was completed by 93 respondents, representing 14% of those organisations and individuals held on SFTF's mailing distribution list, to which the survey was circulated. Over 60% of those who responded described themselves as members of a Fair Trade town, village or area grouping and over **92%** of those responding were campaigning in a voluntary capacity (Table 4.1). 60% of these identified themselves as members of the SFTF (in group or individual capacity), which currently has 82 organisational members (52 respondents reported that they were members).

Table 4.1 Respondents by type expressed as a % of total number of 93 respondents (some of the 93 respondents identified themselves as being in more than one category).

Respondent type	%	Number of respondents
An individual campaigner	45%	42
Member of FT town/village/ area grouping	61%	57
Member of schools FT group	9%	8
Member of FT university or college group	5%	5
Member of a faith based group	38%	35
Involved in Development Education Centres	5%	5
A Co-operative/Scotmid group member	17%	16
A business with an interest in fair trade	12%	11

Campaigners identified their engagement as being, in the main, a positive role in raising awareness of Fair Trade in their area (Chart 4.1), rather than having a direct impact on influencing changes to the way trade works or having a ‘pressure group’ influence on local retailers to stock Fair Trade. The most cited voluntary activity was organising promotional events during Fairtrade Fortnight (90% of respondents), whilst over 60% of campaigners were also engaged in raising awareness in primary and secondary school (only 3 of those 49 responses were the FT Schools group themselves).

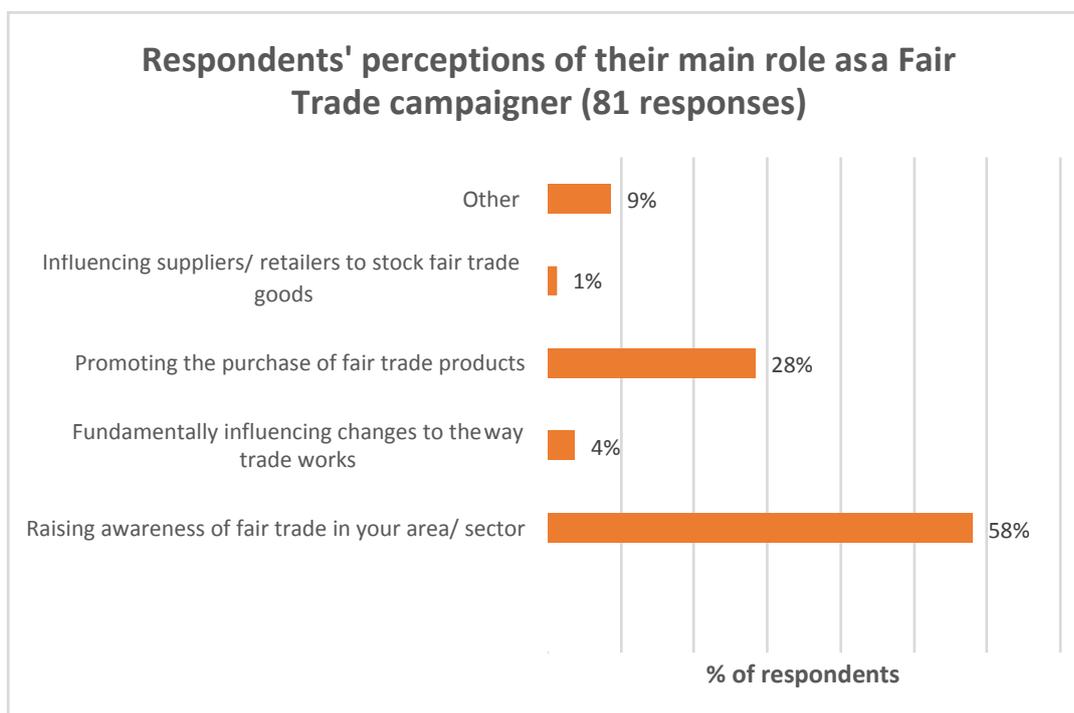


Chart 4.1: FT campaigner roles (81 responses)

Selling FT products through voluntary stalls at faith groups (60%) and community events (47%) was carried out by 44 of those responding, with the majority (75%) stating that Gateshead ‘fair trade pioneer’ [Traidcraft plc](#) was their main source for stock; this was followed by those supplied by independent Fair Trade shops such as the [One World Shop](#) in Edinburgh. As Table 4.2 demonstrates,

there was a wide variation in the sales volumes achieved by voluntary stallholders, some of whom offered products at events weekly and others only annually.

Table 4.2 Volunteer stallholders’ sales

TOTAL VOLUNTEER SALES per annum (44 responses)	£99, 300
Lowest amount in sales per annum	300
Highest amount in sales per annum	21,000
Median Average per stallholder	2,000

Traidcraft’s decision - following a re-modelling of its business in 2017-18 -to significantly reduce its range of products and focus on major food product groups will have a significant impact on supply and visibility of Fair Trade products to Scottish consumers. Most importantly, this raises significant livelihood challenges for the producers previously supplying Traidcraft. A few respondents purchased supplies direct from the importer of the goods (such as [Shared Earth](#)).

4.2.1 Sustainable Development and Fair Trade

Campaigners answered several questions relating to Fair Trade and its priorities reflected in SDGs. The Social Premium offered by Fairtrade, (the additional funding that Fair Trade producers and their employees direct towards environmental and social improvements in their communities), was regarded by nearly 80% of respondents as central to the Fair Trade message. This was in providing ‘added’ benefit as well as empowering communities to make their own decisions in pursuit of sustainable livelihoods. One response highlighted how the Social Premium itself could contribute towards the delivery of SDGs.

Campaigners and SFTF members were largely aware (94%) of the SDGs and the SG’s commitment to implementing them but the majority were not aware of what they represented in any detail. The SDGs that campaigners felt the Fair Trade movement in Scotland should be most closely aligning itself to was seen to be SDG Goal 1, **No Poverty** (31% citing), followed by **Responsible Consumption and Production** (25%) and **Decent Work and Economic Growth** (24%). However, most respondents found this difficult to answer, with most SDGs viewed as delivered by Fair Trade practice.

‘These issues are so inter-linked; it is difficult to prioritise. If inequalities were reduced and trade practice fairer, then poverty and hunger would be reduced, and gender equality supported. The Climate change issue is huge and requires urgent action, but fairer trade practices would support the change too.’

Online survey respondent

Martin Rhodes, Chief Executive of SFTF, regards **Responsible Consumption and Production** as critical to Fair Trade, and the Fair Trade movement’s USP due to its links to consumer behaviours, supply chains and ultimately international trading practice.

4.2.2 Fair Trade Literacy in a Crowded Marketplace

An interesting finding of the research was that despite competing ethical brands being very much a current concern in Fair Trade networks and media, 33% of campaigners surveyed regarded ‘green’ certifications such as Rainforest Alliance as representing Fair Trade practice (Table 4.3). This is

possibly due to the high profile ‘presentation’ of competing certifications as ‘as good as’ Fair Trade and the emphasis on ‘certification schemes’ in the question. This contrasted with participants of workshops held in the course of research (representing SFTF’s most engaged members and partners); these understood very clearly which of the certifications represented Fair Trade. There was a high level of awareness of WFTO guarantee membership scheme and non-certified but fairly traded direct imports from social enterprises such as [Just Trading Scotland Ltd](#) and [Hadeel](#) (selling Palestinian produce).

Table 4.3: Campaigners’ views on certification schemes representing Fair Trade practice.
(Percentage of campaigners surveyed who viewed each certification as representing Fair Trade).

Campaigners’ views on certifications regarded as representing Fair Trade practice	Responses	
FT Mark (registered certification from the Fairtrade Labelling Organisation)	98%	86
Other (please specify)	6%	5
Cocoa Life (Mondolez)	14%	12
Fairly traded in-store own brands	27%	24
Rainforest Alliance/ UTZ	33%	29
WFTO (World Fair Trade Organisation) Guarantee Scheme	68%	60
Non-certified but fairly traded direct imports (e.g. Just Trading Scotland rice)	68%	60

Other ‘marks’ and certifications cited were BAFTS ([British Association of Fair Trade Shops](#)), [Fair for Life](#), [Good Weave](#) (formerly known as Rugmark) and Geopark Alliances (oil and gas with strong ESG). One of our importer and manufacturer respondents of the supplier survey cited [Fair Mined](#) as the certification scheme used for silver. The responses to this question indicate the need for an ongoing education and ‘fair trade literacy’ campaign even for longstanding supporters of the principles of Fair Trade, as the market becomes more crowded with ethical certification schemes.

‘The key is informed buyers (or consumers) of goods. They need to know the story behind the label’

Workshop participant, Perth, October 2019

4.2.3 Volunteering for the Fair Trade Movement in Scotland

Campaigners in both workshops and through the online questionnaire articulated several barriers to them in advancing the cause of Fair Trade in their community, sector or institution. The most significant challenge to their efforts came from the challenges in recruiting volunteers, upon which the entire growth of the Fair Trade movement in Scotland has depended.

‘Most of the awareness of FT in Scotland has come from bottom up – local groups with plans to get FT centre stage. This local activity could be complemented by a more coherent position on FT within the Scottish Government. The crafting of the Good Food Nation Bill⁶⁷, during 2020, creates a real opportunity for Government to do this’.

Dennis Overton, Consultant, Chair of Scotland Food and Drink and of Rwandan organic Agri-business ‘Ikireza’

⁶⁷ <https://www.gov.scot/publications/good-food-nation-proposals-legislation-consultation-analysis-report/>

Several volunteers reported having run and participated in local groups for over 30 years and wanting to ‘hand over’ leadership responsibility to younger people. The difficulties in recruiting any new volunteers to run campaigns and committees was a consistent message in all our consultations (Chart 4.5). The reasons for this were often perceived to relate to Fair Trade’s image as a concept as either ‘done and dusted’ at local level (because award certification has been achieved) or as ‘tired and dated’ particularly from younger people’s perspective. Competing with more current key issues such as Climate Change is seen a key challenge, the radical messaging for which has been led by and engaged with by young people at mass movement level.

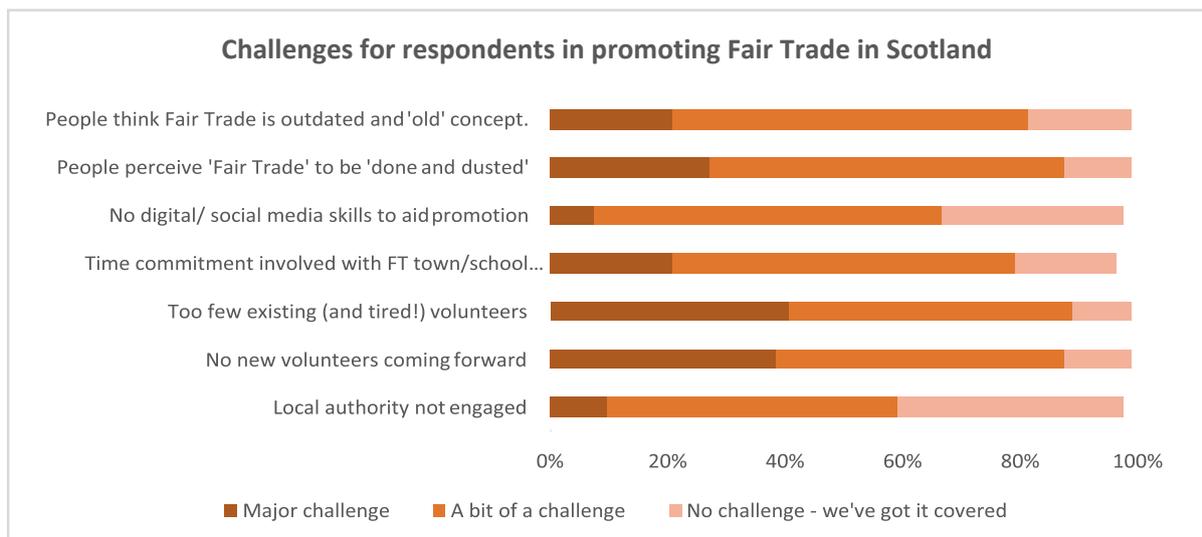


Chart 4.2: Campaigners reported challenges in promoting Fair Trade in their area (81 responses)

Key to Fair Trade’s future profile will be its ability to communicate how Fair Trade is **part of the solution** to the Climate crisis, rather than competing with it. There has already been a significant drive to demonstrate synergy by both WFTO and Fairtrade Foundation in this respect and the need to sustain efforts to support national Scottish and local networks to embed this into their messaging.

There were specific difficulties in recruiting volunteers to the time-consuming task of auditing all businesses in the area to ask if they used Fair Trade, in order to be re-assessed for Fair Trade Town status. Several town/area steering groups indicated through our consultations that they had failed to complete the audit required due to lack of volunteer capacity. Whilst not the scope of this review, there may have to be a more fundamental re-think of the way in which these award schemes operate in order to measure prevalence and impact of Fair Trade Actions at local level.

There are, however, opportunities to explore new models of volunteering within the existing work of the SFTF and potentially build a more robust training and support system for volunteering for Fair Trade under the banner of Active Global Citizenship. [Volunteer Scotland](#), core-funded through the SG Third Sector Team, offers an accredited training scheme, [Investing in Volunteers](#). This is the established UK standard for Volunteering with a quality framework towards which organisations work to gain full accreditation. An initial investment in the development of a standard for Fair Trade and Active Global Citizenship could reap dividends for the continuance and ‘re-boot’ of local campaign networks that have brought Fair Trade to where it is today. As an independent organisation, the SFTF may be able to explore external funding opportunities for this work.

The [Saltire Awards](#) are a national initiative also supported by the SG, which acknowledge, celebrate and reward the commitment and contribution of young volunteers specifically. Their model of development at four Award Levels provides a useful approach for defining the various kinds of volunteer roles that may be attractive to young people and that could be incorporated within SFTF's existing awards schemes.

- **Saltire Challenge:** volunteer in a one-off team event to get a taste of volunteering by joining in with a 'no strings' team event
- **Saltire Approach:** regular volunteering in manageable chunks and helping you find out what you like to do best
- **Saltire Ascent:** making a longer commitment to volunteering
- **Saltire Summit:** for outstanding contributions to volunteering

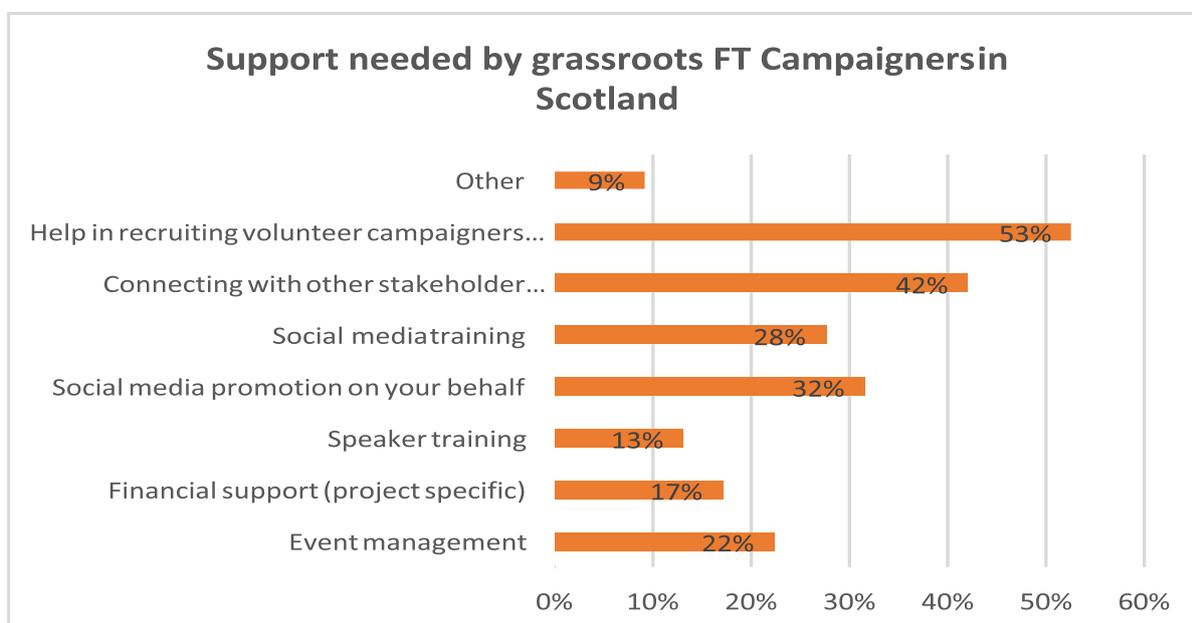


Chart 4.3: Support needed by grassroots FT campaigners. (Percentage of 76 respondents who selected each response; respondents could select more than one response).

Campaigners were invited to comment on other mechanisms of support that SFTF might offer them, over and above the services and support already provided. Over 50% stated that they needed more help in recruiting volunteer campaigners locally whilst 42% thought that support could be offered in connecting their group with other likeminded organisations in their area to create a collaborative hub (Chart 4.2).

Of the 64 campaigners who answered this question in detail, the majority already had some links to either another similar type of group (e.g. FT Town steering group within a local authority area). In cities or large conurbations there was a plethora of links between universities, local authority, town groups and Development Education Centres (Dundee was cited on several occasions).

The Co-operative Group’s Member Pioneers⁶⁸ were seen as a very important source of support for several respondents (where there was a store in their town or area), further strengthened by the recent opening of small Co-operative stores in student campuses. A few local authorities were seen as pro-active in their support of Fair Trade campaigners and the groups to which they belong; for example, Perth and Kinross Council even facilitated a regular meeting of FT Towns groups. The SFTF is already delivering further regional networking events in order to connect volunteers together in their area. There may be further opportunities to engage with Development Education Centres where they are not currently connected to a local city/ town/school Fair Trade group, in order to support resourcing more effectively.

Many other ‘traditional’ voluntary membership (such as faith groups, women’s groups and Rotary) organisations have experienced similar recruitment challenges, with wider volunteer trends suggesting young people dislike the commitment of traditional committee ‘membership’ roles in contrast to the rapid growth of newer activist based movements such as those focused on the environment. There may be further opportunities for SFTF to explore engaging volunteers in new, non-committee-centred ways to attract younger (and older) people to specific time-limited volunteering opportunities, based on contemporary themes. A major start has been made with the formation of the Scottish Fair Trade Young People’s Network. Effective links and liaison with the Scottish Government’s Third Sector Team could support this work.

Whilst not ranked as the most significant challenge, a total of 66 (of 81) campaigners thought that they lacked the **social media skills** needed to lead promotional activity of Fair Trade at local level, this largely being due to the older age profile of voluntary campaigners (Chart 4.2). Twenty-eight percent of respondents stated that they would welcome further support for social media training and 32% would like support for running social media campaigns on their area/group’s behalf. This may be a useful area for SFTF explore in future in terms of young people’s involvement in volunteering roles.

Table 4.4: Campaigner methods to promote FT products in their area (Percentage of 78 respondents who selected each response; respondents could select more than one response).

Methods used to promote fair trade products by volunteer campaigners	
Answer Choices	% Responses
Scottish news press/ lifestyle magazines (online/ printed)	21%
Social media	58%
Local radio	5%
Own leafleting/ poster campaigns	47%
We don't specifically promote fair trade goods	3%
Stalls at community /faith group events	77%
Word of mouth - friends, family and colleagues at work	73%

⁶⁸ Member Pioneers are recruited by the Co-operative Group to champion local causes within their communities and many have a key role in promoting Fairtrade certified product sales in their area. <https://www.coop.co.uk/member-pioneers>

Significantly ‘word of mouth’ is the most often used method of promoting Fair Trade (Table 4.4), whilst social media is recognised as a major opportunity for promotional work, despite further training needs. Several respondents cited more proactive externally-focused methods of promotion, such as visiting local businesses with FT product samples and aligning Fair Trade to ‘Buy Fair and Local’ campaigns. Over 80% of respondents focused their promotional efforts on the local consumer, with some also citing visitors to the area, teachers, young people and public agencies.

A wide range of views on the most effective forms of marketing and promotion of Fair Trade products was given through survey responses; use of the FT mark and FT Fortnight publicity material and messaging was cited several times as was the importance of the mark being given prominent promotion by local supermarket retailers. School, college and university groups felt that internal promotion on staff intranet was crucial. Some groups had instigated more targeted efforts to specific events or organisations:

‘Our group targeted the Open Championship; getting them to adopt Fairtrade was probably our biggest coup’.

Campaign survey respondent.

Whilst 72% of respondents thought that Scottish consumers had some level of awareness of Fair Trade, there was clear acknowledgement that in order to achieve step change in Fair Trade consumer awareness, a focus on public procurers and education in schools was required to improve Fair Trade literacy (Chart 4.4).

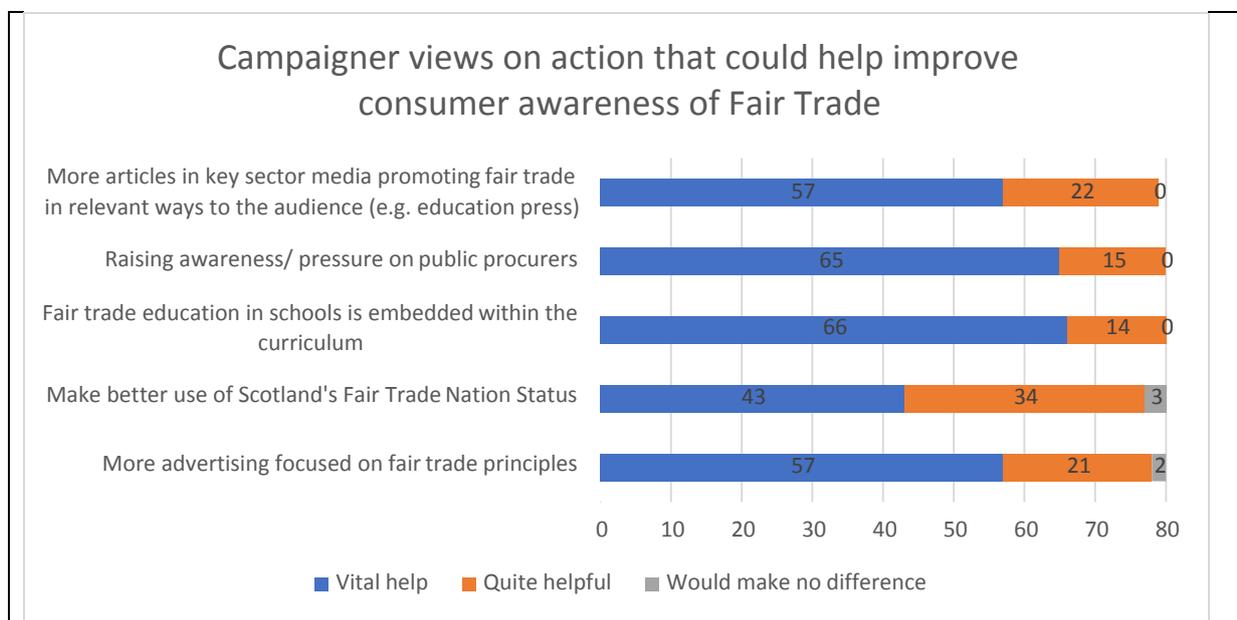


Chart 4.4: Campaigner views on actions needed to improve awareness and adoption of Fair Trade in Scotland (80 respondents answered this question)

Respondents were also asked which, of a range of product categories, they thought most required further promotion and reported that they regarded Fair Trade food (42%) and fashion (32%) as the two major groups most in need of marketing at national level. There was little support for promotion

of handicrafts or other non-food items (3% and 5% respectively). Campaigners were also very clear as to the relative importance of the current consumer trends in favour of environmentally sustainable and organic products as a key opportunity for Fair Trade (Chart 4.5), with 73% regarding this trend as a major opportunity for Fair Trade to present its credentials.

Respondent campaigners were also asked what they regarded as the main barriers to adoption of Fair Trade by consumers. 72% regarded the main barrier as the lower price of non-fairly traded goods, with consumer preference for quality products of local provenance cited throughout the review by both campaigners, influencers and retailers/ suppliers.

'I think the majority of people don't care if it's fair trade; they care if it's unique and of high quality. There is also an issue with supporting the local makers or spending money more on local poverty instead of those living abroad, regardless of how vast the difference in the poverty levels here and abroad are. Perceptions of cost are also an issue; people expect fair trade to cost much more, but that's not the case. People are so distracted by and used to cheap prices at the big stores that ethics often don't come into their purchasing practices. If it's not convenient or cheap, they don't want to think about it, and it's easier not to think about suppliers in developing nations because they're out of sight and 'the other.'

Local business owner (with an interest in fair trade) response to campaigner survey

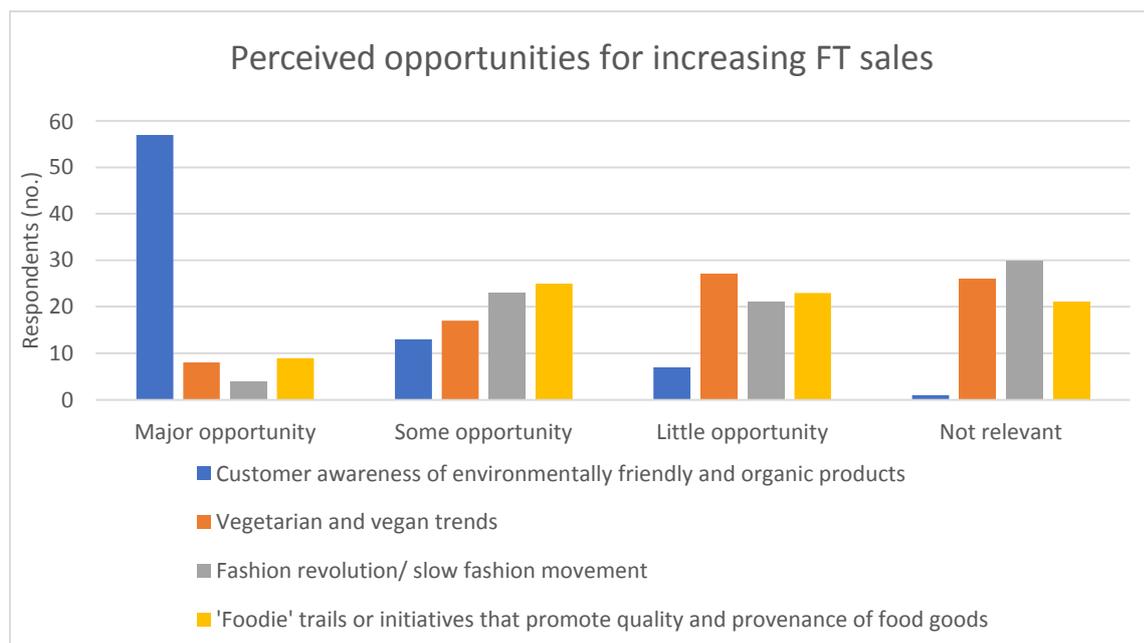


Chart 4.5: Perceived opportunities for increasing FT sales: campaigner views. (Number of respondents rating each category as shown).

4.3 Barriers and Opportunities for Growth: Suppliers and Retailers

The review's survey and interviews with retailers, suppliers, importers of Fair Trade and international leaders provide a clear picture of the range of challenges and opportunities for Fair Trade both as a sales Market and as an alternative model for trade.

4.3.1 Challenges: Price and Margin

Retailers and suppliers with a commitment to the support of Fair Trade - whether large multiple retailers such as the Co-operative group, Waitrose or Scotmid or small independent FTOs - referenced the dual threats of the drive for **lower cost products** in terms of retailer competition and consumer demands and **labelling fatigue and consumer confusion**. The latter was cited as an increasing threat as more 'ethical' labels appear on shelves and major Supermarket retailers and suppliers (Cadbury's -Mondolez) withdraw from the Fairtrade Mark licensing scheme in favour of cheaper, 'fairly traded' in-house products such as Cadbury's 'Cocoa Life'.

The Co-operative Group's Sustainability and Sourcing Manager, Sarah Wakefield explained the retailers' decision to focus on seven core commodities for its Fairtrade Mark certified offer, moving away from a policy of 'if it can be Fairtrade it should be Fairtrade'.

'There was a challenge for smaller commodities such as fair trade rice and olive oil supplied by producer groups and independent FTOs which weren't selling due to price point. We need to offer Fairtrade ranges which are competitive on price and can sell at volume. We made the decision to drive our volumes in seven core areas to maximise benefits to Fairtrade producers – for example, our 100% commitment on cocoa as an ingredient in all our products, extending our range of Fairtrade flowers and being the biggest seller of Fairtrade wine in the world'.

Sarah Wakefield, Co-operative Group, 1:1 interview.

Amy Morris, Waitrose's Sustainability Co-ordinator, also commented on price point: *'we know that there is a maximum price people are prepared to pay for what's seen as everyday essentials - such as bananas – there is always price pressure'.*

An independent Scottish Fair Trade retailer commented on the trend for ethical labels in the marketplace and the need for careful market positioning:

'I'm an independent business, and there is a push from larger corporations to focus on fair trade or ethically-made products (or to offer products that purport to be so), so I need to be competitive with them. This means I need to have a wide range of products so that if one is being undersold, or if a supplier is now working with say, ASOS, as one has been, then I don't necessarily want to have that product. We need to be unique.'

Online survey respondent

4.3.2 Perceived Constraints on Growth: Supply Chain

From the options given in the survey a key barrier that was identified was access to supply in relation to the lack of effective distribution networks in Scotland (Chart 4.6). This was the highest-rated factor in terms of importance, aligned with difficulties in sourcing suppliers. This stems partly from the impact of Traidcraft's new business model in reducing its product range and Fair Trade brands distributed (see section 4.1), but more generally indicates a reduction in the number of independent

wholesalers distributing in Scotland (and the wider UK, according to BAFTS' data). The views of individual volunteers and retail managers indicated clear opportunities to achieve resource efficiencies and more direct relationships with suppliers through the creation of one national or several distribution hubs through which retailers could purchase. A particular case was made for the handcraft and homewares producers, often small women-owned co-operative enterprises, where the loss of markets would have a major impact on livelihoods.



Chart 4.6 Relative importance of factors constraining growth of Fair Trade sales. (Percentage of respondents giving each rating is shown).

Other constraints were identified. Thirty-one percent of Scottish retailers and suppliers responding to the survey highlighted difficulties in sourcing suppliers. Where the product was dependent on a single crop or commodity, crop failure was another key constraint to sales growth. Once again, this highlighted the need for diversification of product ranges. Other immediate challenges to the supply chain identified by respondents include:

- lack of working capital for advance purchase of products;
- a no-deal Brexit and its impact on exchange rate;
- tariffs and import duties as well as access to EU Markets.

Supply chain issues impacting on producers in developing countries (with a knock-on effect for retailers and suppliers) were cited as climate change and security of transport, in countries with high risk ratings (such as within West Africa).

CASE STUDY 3: COACH HOUSE TRUST / GAVIN'S MILL & JUST TRADING SCOTLAND

Background: Coach House and Gavin's Mill www.gavinsmill.org

The Balmore Trust was set up in 1979 through a local church following discussions about world poverty. A project began at the Coach House, Balmore north of Glasgow, which sold Fair Trade products, with Oxfam Trading and Traidcraft as suppliers. The purpose was to raise money and support development work with volunteers who linked groups from Africa and Asia to Scotland. The retail outlet received the Trust's profits and in 37 years have raised £600,000.

In the 1980s, a development worker from Bangladesh visited who was working with women's groups from the poorest in society. Asked about getting a grant she said, 'No. I don't want your money. I want you to sell the goods these women make. That is what gives them their dignity.'

The Coach House goal then became selling at least 50% fairly traded goods in the shop together with local food and crafts. In 2016 the Coach House moved to Milngavie and in March 2017 a new shop and cafe opened at Gavin's Mill - its turnover in year ending February 2019 was £140,364 and it is owned and run by a new charity: Gavin's Mill Community Project. The main challenge is to raise the capital required to purchase the building and to continue informing people about Fair Trade and its links with sustainability and the climate crisis.

Just Trading Scotland - JTS www.jts.co.uk.

In 2008, the Trust was invited to move into a warehouse occupied by the Fairtrade shop in Paisley, Rainbow Turtle and in 2009, set up a new business, JTS (Just Trading Scotland), to focus solely on fair trade importing. JTS now imports from smallholder farmers and small food producers in Kenya, Malawi (Kilombero Rice), Swaziland, South Africa, India and Sri Lanka. In the year ending January 2019 JTS had a turnover of £228,898.



Barriers to growth

The biggest challenges are Price and Public procurement practice. Price is a serious barrier as Kilombero rice sells at £3.750 / £3.75 a kilo whereas it can be bought for 80 pence a kilo. With regard to public procurement practice it will be necessary to convince more local authorities to buy FT rice through procurement using criteria available in community benefit clauses and the sustainable procurement duty.

Interview with CEO John Riches, Founder, 29 November 2019

4.3.3 Accessing Public Procurement Contracts

'Awareness of the Fairtrade Mark is good at consumer level. The challenge is at corporate level'.

Matthew Anderson, Senior Lecturer in Business Ethics and the Circular economy, Portsmouth University Business School.

A key constraint cited by the FT micro-businesses participating in the review was the difficulties encountered in accessing public procurement Markets. Despite the progress made through recent Scottish sustainable public procurement legislation, many public authorities are reported as going no further than specifying that their procurement will be 'sustainable' but not specifying what they regard as constituting 'sustainable' (more often perceived as a proxy for 'green') or defining what is meant by the term 'ethical or fairly traded products'. The National Procurement Strategy of one executive agency (NHS National Services Scotland⁶⁹) does not reference Fair Trade at all, referring only to use of the SG's Public Procurement Tools.

Smaller FT business find that they cannot not compete for larger scale 'bundled' group contracts specified by public procurement portals such as APUC, TUCO (colleges and universities) and Scotland Excel (local authorities) and due to scale and FT minimum pricing were also unable to compete on price which was perceived to go to the lowest bidder.

'We are a Fair Trade nation with no support from Government for suppliers of fair trade goods to implement / encourage the public organisations to buy fair trade.'

Survey respondent

As the most significant Market for developing FTOs, procurement by public agencies of Fair Trade products must become a priority for the Scottish Government to ensure that its sustainable procurement principles are enacted in practice. One respondent to our survey commented that *'Effort and support (is needed) to connect suppliers and buyers - consumers and trade would grow this Market'*.

This is probably the most effective mechanism for increasing sales growth at scale in Scotland, together with working with food service providers on their knowledge and range of Fair Trade products offered to the public and corporate sector markets.

More success was encountered with individual schools or leisure centres for Fair Trade products, but this approach is resource-intensive and not scalable.

'Of England, Wales and Scotland, we find the Scottish Market most receptive to our Fairtrade school and corporate uniform offer. For example, it is a relative pleasure to 'cold call' in Scotland compared to other parts of the UK, as there is almost invariably a degree of knowledge/enlightenment at the other end of the phone. So, it is no surprise that Scotland and Scottish Schools have been our fastest growing Market for several years now'.

Kool Skools: respondent to online survey, supplying Fairtrade school uniforms

⁶⁹ [NHS National Services Scotland Procurement Strategy](#), 2019 -2025 v1.1. 18.09.19.

CASE STUDY 4: FAIR TRADE SCHOOL UNIFORMS AND PROCUREMENT

Started in 2011, Koolskools is the #1 supplier in the UK of ethical school uniform made with FT cotton. The range includes polo shirts, hoodies, sweatshirts and cardigans that can be embroidered with school logos. Registered as a limited company under the name Koolkompany Limited it currently has a turnover of around £130,000 per annum and four employees. Originally Koolskools worked solely with ethical factories licensed to handle FT garment manufacture in Mauritius but, due to manufacturing challenges in Mauritius, have moved most of the production to Indian factories over the past few years.

The Pratima Organic Grower Group in Odisha, India, operates a ginning unit and works with 4,000 farmers from over 100 villages on the production of fair trade organic cotton. They are increasing their focus on the private sector and have been successful in signing up North Link Ferries as a client for work wear.

Koolskools have recently been awarded a contract with National Union of Students (NUS), whose clothing business is worth around £2 million per year. This came about, in part, as a result of a change in the tender structure provided by NUS; in changing their supplier tender split to offer one tender specifically for FT clothing and a second for non-FT, a minimum percentage of purchasing was guaranteed to be Fairtrade Mark registered. This is a strategy that could be adopted across other organisations, and is allowable within current procurement regulation, to enable more FT suppliers to tender for contracts or part of sub-tender contracts.

Koolskools operates UK wide with currently around 40% of business in Scotland and a higher percentage in primary schools. Their greatest growth market is predicted for Scotland. Andy was very positive on their experiences of approaching schools in Scotland as they are receptive to the idea of FT uniforms and generally have a better degree of knowledge of FT than the rest of the UK. Koolskools' Founding Partner, Andy Ashcroft, notes that their trading relationships are directly with schools due, he believes, to SFTF's willingness to provide educational resources and workshops in this setting, which plays a key part in signing up new clients.

Challenges: Koolskools have had very little success in working with Local Authorities (LAs) throughout the UK despite having spent a great deal of time on marketing to them in the past and they no longer devote any resource to public procurement contracts. As with the NUS, Andy has suggested that LAs could hive off the FT element of contracts to enable FT organisations to compete. Koolskools have tried unsuccessfully to approach the NHS as well as numerous councils in Scotland, England and Wales. Regarding procurement in both private and public organisations, generally Andy is of the view that there are *'long-standing entrenched relationships that need to be broken'* between procurement officers and suppliers and that *things 'won't change unless they are ordered from above'*.

Andy Ashcroft, CEO Koolskools, interviewed by Review team on 15th November 2019

4.3.4 External Support Requirements of FTOs

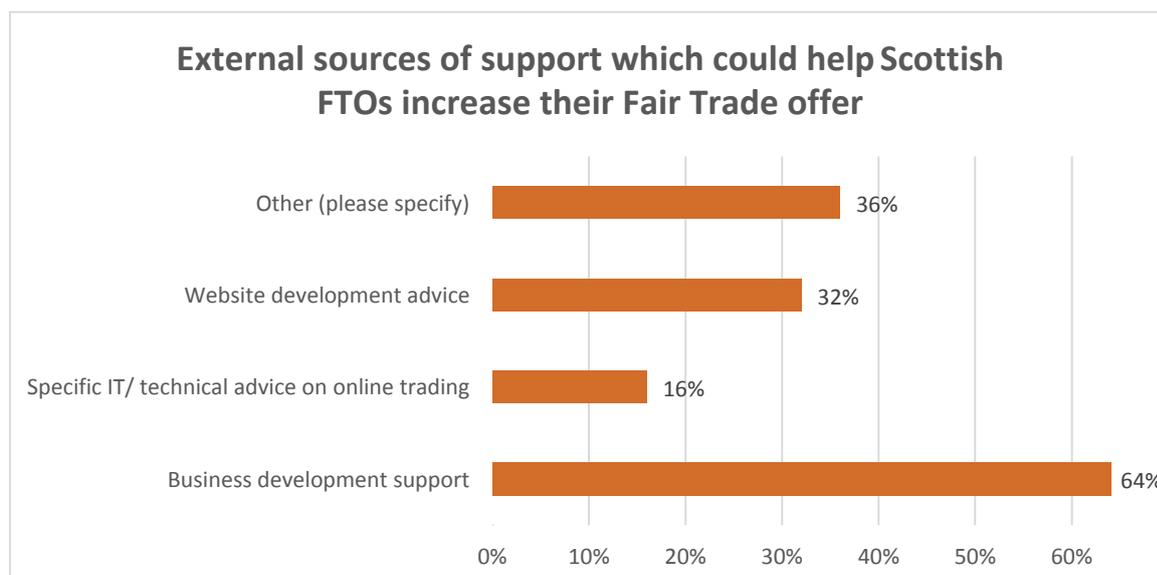


Chart 4.7 Demand for additional external support for businesses offering Fair Trade. (Percentage of respondents who selected each response; respondents could select more than one answer).

Chart 4.7 shows that the most requested support at national level to address some of these barriers was seen as business development (17 respondents rating this as their priority for support), including expert retail advice, and design advice on textile development. Those citing IT and web-based/online concerns mentioned the costs of developing strong, constantly updated and secure websites. Additional ('other') comments related to Governmental actions at Scottish and UK (reserved trade policy) level were:

- a. Long-term loans for micro and small importers to develop the business during the uncertainty /transition caused by Brexit;
- b. Simplification of import process and duty payable by small turnover businesses;
- c. Building public awareness of benefits of buying Fair Trade;
- d. The threat of import tariffs for many FTOs in the UK who process their product in Europe and
- e. Government sponsored awareness campaign spelling out the importance of Fair Trade locally and globally.

In terms of supply to the Scottish market to increase sales, the most important means of supporting improvements was seen as direct support for **importers** of Fair Trade goods to Scotland, with 82% of respondents indicating that this would make the biggest impact on their ability to grow Fair Trade sales. A further 42% of those same respondents thought that business finance (such as short term credit loans) would support sales in terms of supply. Currently, few Scottish FTOs have access to this sort of business finance, with only one known to have buyer finance (Shop, Term or Buyer Credit) in place with [Shared Interest Society](#). The membership based co-operative and community benefit Society is a member of the UK FT Leaders' Forum and the only social lender in the UK focused solely on supporting the international FT market. The majority of its lending, however, is to customer producers in the developing world (such as Export Credit and Stock facilities).

More generally, respondents commented on the need for most SG level statements of commitment to Fair Trade, as a Fair Trade nation. One respondent to the survey commented:

'We have numerous events promoting Fair Trade each year, and I led the campaign to make our town a Fairtrade Town last year, which got a lot of press and local support on social media, but this did not result in increased sales or engagement locally, in reality. It would be really useful if the government had more to say about Fair Trade in Scotland, as It can often feel like we're promoting the movement alone.'

Independent Fair trade retail outlet

4.3.5 Opportunities: The Inclusive Economy and Social Enterprise

Whilst independent FTOs do not command a major Market share of Fair Trade (usually FT Mark certified) sales in Scotland, they do represent a vital part of the Fair Trade alternative trading model for fair and ethical trade, driven by social-mission led enterprises. FTOs are often directly working with producers of Fair Trade goods in developing countries, reflecting the principles of global citizenship, shortening supply chains and providing a direct relationship between the consumer and the farmers/ workers who produce what we consume.

'If you stand back and look at the Scottish Economic Strategy, they all fit within the pillar of inclusive growth with a better-balanced economy and in case of FTO's have overseas beneficiaries so they're contributing to the International Development Goals as well.'

Gerry Higgins, Social Enterprise World Forum and International Social Enterprise Observatory

There are real opportunities to grow this unique niche within the social enterprise sector, with adequate support and change to current procurement practices. During the review several social enterprise organisations, which for the most part receive funding through the SG Third sector Team, were contacted for their views on supporting FTOs and indicated a willingness to work with the SFTF to support this sector. These included [Community Enterprise in Scotland](#) (CEiS), their subsidiary [Just Enterprise](#), The International Social Enterprise Observatory and the [Social Enterprise Academy](#). Qualitative interviews were also conducted with the Social Economy Manager for Scottish Enterprise, the Manager for Sustainable Communities at Highlands and Islands Enterprise and the former Head of Co-operative Development Scotland, who now serves as a non-executive director with the Scottish Wellbeing Economy Alliance.

Given the complex network of social enterprise organisations that exists in Scotland, the SFTF requires urgent advice at national level in order to identify the most appropriate sources of support and to map the most effective support journey for Scottish FTOs. There is also a need to upskill existing Social Economy lead officers within agencies on the synergies between Fair Trade, the B Corp movement and social enterprise and to provide information on the unique needs of FTOs as a group of social enterprises, within the wider social economy. This will need to both highlight where opportunities for growth exists within Fair Trade product sales and identify the **community benefit** for Scotland's communities **and** producer country communities through the importing (and where necessary) the processing of final product to market.

CASE STUDY 5: DIASPORA COMMUNITIES AND FAIR TRADE

The Oromo Coffee Company was set up by the Oromo refugee community in Manchester, with financial support from the Lorna Young Foundation, with the mission to Market Fairtrade coffee from their homeland in Ethiopia. The company brokered a deal with growers from the Oromia Coffee Farmers' Cooperative Union in Ethiopia to ship coffee to the UK, where it is roasted. The OCC is a unique social enterprise supporting both small farmers and UK communities.

The OCC supports Ethiopian farmers by paying fair prices; and provides training and work opportunities in the UK.

'It's been difficult for us because we have had problems with language and the culture, but we've had lots of help.'

The enterprise has been started up without outside investment and has relied instead on pro bono legal and Marketing services, most of them brokered through the Lorna Young Foundation, a charity that supports agricultural businesses in the developing world.

4.3.6 Green Consumerism

Most FTOs, alongside major retailers recognised the move towards the green consumer as a key opportunity for Fair Trade to promote its credentials in supporting sustainable livelihoods, biodiversity and climate action in developing countries, with the proviso that Fair Trade had to ensure that it effectively re-positioned its messaging as being part of the solution to the climate crisis. Eco-friendly packaging was also a growth area in which many FTOs were already 'ahead of game' compared to major retailer chains. Those surveyed were alert to, and ready to embrace, the opportunities that Market trends offered as chart 4.8 demonstrates, with a focus on environmentally friendly and organic products clearly regarded at the most important trend.

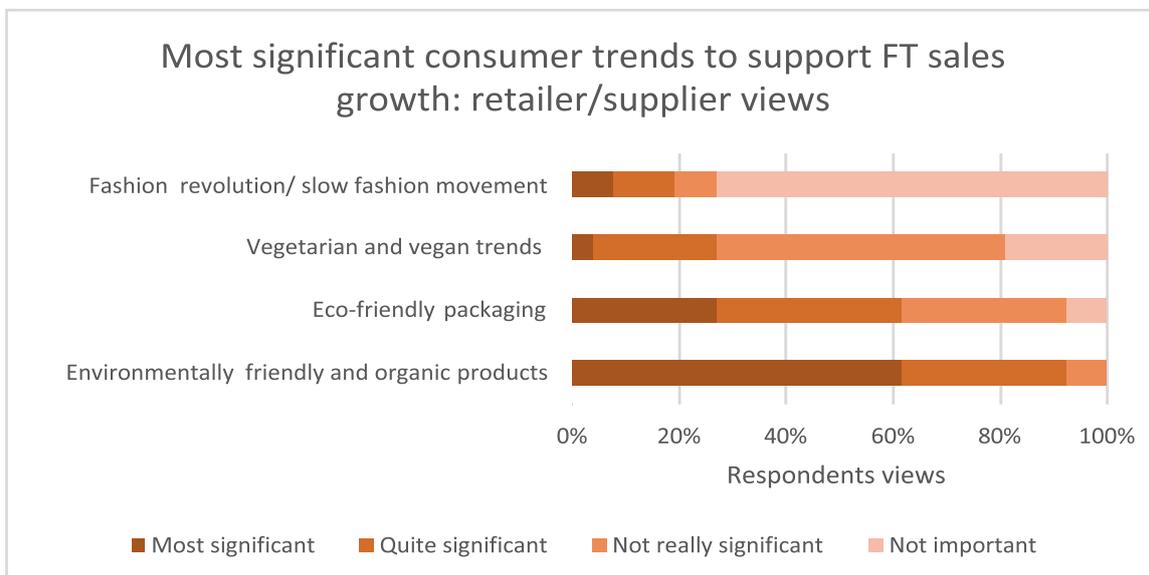


Chart 4.8: Consumer trends as opportunities for growth (where each of 26 respondents rated each option provided).

Discussions in workshops attended by retailers and suppliers highlighted the opportunities for synergy between several current trends, including the organic Market and reduced meat consumption, 'Localism' and local provenance of produce and Fair Trade. In the Venn diagram below (Figure 4.2), [Green City Wholefoods](#) (a wholesale workers' co-operative and supplier of Fairtrade and organic product ranges) argued for a targeted strategy for Fair Trade messaging, highlighting that where the circles converge, the most opportunity exists to influence consumers/ target audience for sales growth focusing on 'Fairness for All' agenda.



Figure 4.2: Venn diagram discussed at workshop with Fair Trade retailers and suppliers

There were opportunities for spreading the FT message to 'active' or 'deep green' consumers, capitalising on the 'Thunberg Effect': consumers are seen as now being more open and ready to listen/ be educated. The importance of promotional activities to highlight the difference between traditional supply chains compared to Fair Trade's positive stories was also raised, with one respondent to the survey describing success as 'providing ethical and sustainable products that go beyond having just a fair trade story, also adding value in origins'. This was, again, linked to the provenance agenda and the importance of ensuring that the Good Food Nation Bill, which will come before the Scottish Parliament in 2020, references Fair Trade produce and its success in supporting direct producer relationships and shorter supply chains.

Chart 4.9 shows the relative value rating given by FTOs to various actions taken to boost sales growth, with the need to ensure buyers/consumers were informed about products and 'Fair Trade literacy' seen as critical to the future of sales, with high levels of customer engagement (whether with buyers or consumers) also being rated highly.

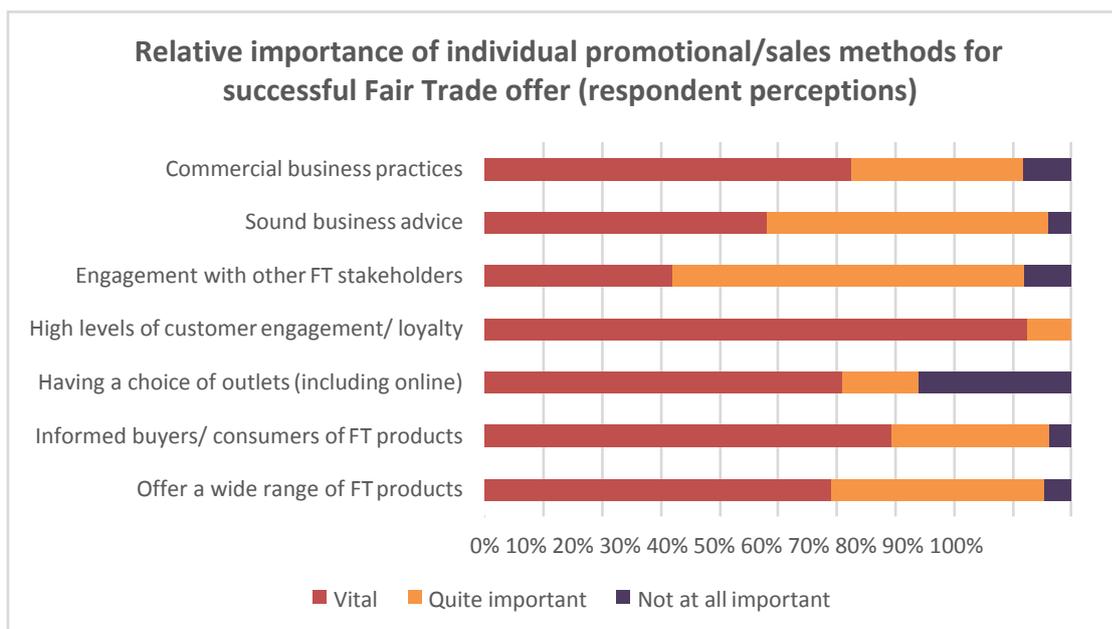


Chart 4.9 Most successful methods found to boost FT sales (where 26 respondents across UK provided answers to this question).

4.3.7 Upskilling, Education and Target Setting

A perceived need for education and upskilling of the workforce of public agencies was expressed (prioritizing those with a public procurement function), as well as within SG directorates itself. The need to support awareness raising of fair and ethical trade amongst commercial food service providers tendering for public or business contracts was also seen as an important part of the ‘upskilling’ work needed.

This was a repeated theme reiterated through all the review’s fieldwork, with a key role for both the SGID in advocating for Fair Trade’s relevance across policy areas - and for SFTF (and its partners)- in acting as a trainer and educator on Fair Trade principles and the range and visibility of Fair Trade products available. The main barrier to fair and ethical trade in public procurement was seen as the lack of visibility and access to (or knowledge of) Fair Trade products. As a FE College Procurement Manager stated:

‘The impetus has to come from customers (or Government) asking the right questions in terms of which products/ and the range of products are available. At the heart is a progressive approach to contract management: so that if a supplier states that 15% of its range is FT, then Procurement Frameworks need to make clear that year on year improvement to 25% of the range is required’.

John Clark, Catering and Cleaning Services manager, Glasgow Clyde College

As the National Performance Framework (NPF) in Scotland further develops and refines its indicators of impact, the setting of baseline and targets for growth and range of FT products specified within procurement frameworks is a practical and evidence-based opportunity for Scotland to demonstrate ongoing commitment to Fair Trade.

4.4 Learning Points

4.4.1 An Integral Part of Active Global Citizenship and the Wellbeing Economy

As Scotland positions itself as a leader in development of a wellbeing economy model, driven by people and planet, there are opportunities for Fair Trade to position itself at the heart of these developments, reflecting not only a domestic but global approach to achieving wellbeing within the SDGs.

As part of the national debate on sustainable food supply chains, there are opportunities for alignment of Fair Trade suppliers and products to the new organic, locally sourced demand for food, which emphasises direct relationships with producers.

Public and corporate procurement contracts relevant to Fair Trade products are the most effective mechanism for increasing sales growth at scale in Scotland. Food service providers could also be supported to build on their knowledge and range of Fair Trade products offered to the public and corporate sector Markets and encouraged to increase their FT product range year on year.

4.4.2 Target Setting

Much has been achieved in leading by example through the SG's Sustainable Procurement Strategy and online resource tools. However, a next step on the sustainability journey will be to set baseline, indicators and targets for both the growth of expenditure on fair and ethical trade (and environmentally sustainable products) and the expansion of product ranges. The key procurement agencies Excel, TUCO, NHS, APUC are encouraged to work together to achieve year-on-year improvements.

4.4.3 New Models of Fair Trade: Direct Producer Relationships and Mutual Community Benefit

Working with actively engaged Fair Trade Universities, Colleges and FTOs in Scotland, there are opportunities to develop and support innovative models of short Fair Trade supply chains, working in partnership with producer groups in the developing world to introduce new products (and engage disadvantaged communities in Scotland) for mutual communities' benefit.

Chapter 5 International Good Practice: Detailed Swedish Case Study and Other International Examples of Practice

This chapter reflects on a case study visit to Sweden carried out for the purposes of the review in order to benchmark stated policy and practice in Fair Trade with another European neighbour, based on a number of interviews with key personnel within the Swedish Fair Trade movement. Towards the end of the chapter a number of short case studies are cited relating to other international examples of innovative practice.

5.1 Introduction: Sweden and Fair Trade

Promotion of Fairtrade is the main role of [Fairtrade Sweden](#) (FTS) which consists of two separate entities: an association that aims to increase the knowledge of Fair Trade in Sweden and a limited company which is responsible for the FT Mark Licensing Scheme in the country. The main campaigns run by FTS are a spring campaign involving local campaigners and an autumn campaign involving retailers. It is funded through a number of sources: member subscriptions from the Fairtrade Town / City scheme, the Swedish Postcode Lottery, the Trades Union's International Development arm and by Konsumentverket: the Government Consumer Agency.

The Swedish Government provides support to FTS through its development agency SIDA ([Swedish International Development Co-operation Agency](#)). A variety of different organisations provide support to Fair Trade shops and cafes in Sweden. These include Companion (Social Enterprise Development Agency) and funders such as the Heritage Fund.

FT sales are checked on an annual basis by Kantar SIFO with information gathered from stores and the information is published on FTS website's in April each year. As in Scotland and the UK, a public survey is also carried out annually to measure the levels of FT brand recognition amongst the general population. In 2018 this was 89% of the population⁷⁰ with a high trust level reported. In 2018 there were sales of over 4 billion Swedish Kroner (£3.2 million) which was an increase of 10% on 2017. Figures include all outlets including hotels, coffee shops, FT shops and large and small retailers.

In 2018 67% of FT products were also organically certified. A sizeable percentage of FT producers farm organically but do not have a second certification. FTS believes that this needs to be emphasised in messaging due to producers receiving a higher price for FT and organic products. In terms of organic produce, 75% of bananas sold in Sweden are organic, but at times organic bananas are sold at a low price point driven by supermarket marketing campaigns and large volumes enabling economies of scale.

Despite Sweden having a strong national economy, evidence suggests that the Swedish population still favour lower prices. For example, one stakeholder interviewed reported that LIDL, a low cost supermarket, reports its highest sales performance in a wealthy part of Stockholm.

⁷⁰ Survey carried out on sample of 1000 consumers aged 15-79 selected on the basis of gender, age, region

5.2 Fair Trade Practice in Sweden: Ambassador Scheme

The first FT certified product in Sweden was coffee in 1996 / 97 and it was suggested that by spreading knowledge about FT, sales could be increased. To this end, FTS established an [‘Ambassador’ scheme](#) in 1998 and FTS was tasked to deliver this initiative.

Initially about 450 Ambassadors were recruited throughout Sweden. The concept of FT Instructors was initiated to expand the number of ambassadors. FT Instructors completed a 2 to 3 day training course, in partnership with Adult Education Associations, and their role was to train the Ambassadors at a local level in around 20 cities around Sweden.

This was the pattern up until 2016 when FTS Sweden found that they were unable to train potential Ambassadors due to the lack of Instructors in many geographical locations. Cost was also an issue as the training course cost in the region of Euros 50 to 100 and this had to be paid for by individual volunteers.

In 2016 FTS was tasked with looking at how the training could be implemented in a different way and how barriers, such as the cost to trainees, could be overcome. A digital training model was proposed, thus eliminating the requirement for an Instructor in multiple locations and at zero cost to the potential volunteers.

5.2.1 ‘Aware Consumers’ vs ‘Campaigners’

Through dialogue with prospective volunteers and existing ambassadors it was clear there were two very reasons for their engagement: some of them only wanted to learn more about Fairtrade and become ‘more aware consumers’, while others wanted to take a bigger part in activities and Fairtrade campaigns. This led to a two-tier training structure proposal:

- a. FT Supporter – learning for your own knowledge and being a supporter of FT
- b. FT Ambassador – additional workshops on how message can be passed on, what activities could be organised, collaboration with others and creating a local group.

Due to financial constraints, the Board of FTS had to reconsider its priorities and the planned Supporter programme became the Ambassador Programme, with the inclusion of designated time in which Ambassadors could meet.

The Ambassador scheme is not formally evaluated but a Facebook group encourages members to share information about the range of campaign activities they are arranging. In addition, there is an Ambassador Newsletter which comes out four times per year which Ambassadors receive some weeks before and some weeks after a big campaign. A survey is carried out annually to identify the range of activities that the ambassadors carried out during the year and how they are feeling about their present role, providing valuable insight on the scheme and how it could be improved.

5.2.2 Profile of ‘Ambassadors’

The profile of a ‘typical’ Ambassador is a woman in the age range 55-65 or older and is middle class, engaged, financially secure and has time and opportunity to be a volunteer. Young and older men are also engaged. Ambassadors have a wide geographical spread across all the major cities and in also in rural areas, where engagement can be stronger as people meet more regularly and may have strong links to the local networks.

5.2.3 Engagement Co-ordinators

The volunteer role of Engagement Co-ordinator has been developed to roll out the model and these now exist in 8 cities. The co-ordinators have a local responsibility for a group, take part in FTS campaigns and organise activities. These are volunteers recruited from existing Ambassadors who were already successful, and they received more intensive training and support and a specific role and name. Engagement Co-ordinators meet once a year to learn from each other and individually they have regular meetings with the Ambassadors in their areas. FTS is now considering how to increase local engagement and building local teams to make FTS more relevant and interesting and engage more people.

5.3 Fairtrade Sweden Member Organisations and Partnerships

FTS has about forty member organisations including Trades Unions, Development Agencies such as Red Cross, SOS Children's Villages and the Scouts. The [Swedish Scouts](#), for example, have ensured that all uniforms are made with FT cotton and the Swedish Red Cross (SRC) has worked closely with FTS to raise awareness of Fair Trade amongst its staff. To date collaboration has only happened at a national level and in communication with FTS Head Office. FTS is now looking at how collaborations can take place more locally, in relation to raising awareness of Fair Trade within their organisations amongst volunteers and employees. An FTS staff member has now been appointed with a specific remit to work with Member organisations on this strategy.

For FTS the SDGs refer to partnership for the goals and are considered a good arena for bringing FT and wider interest groups together using the 10 FT principles and 17 goals. In the context of the above collaboration working with SRC, this is a good example of how organisations can work together to achieve common objectives.

A good example of FTS's effective partnerships is the joint work developed between FTS and Adult Education Associations. In 2020 FTS plans to launch a revised proposal for two routes to become an Ambassador in order to increase accessibility to training:

- a. Through the Adult Education route (Study Circles / Evening Classes) available as PDF or printed and four sessions of 2/3 hours each are planned with links to films and discussions
- b. Digital Ambassador Training now 2.5 hours instead of 2-3 days as before.

5.4 Campaigns and Work with Schools Including Links to SDGs

Whilst campaigns are regarded as important by FTS, its role in educating people is considered equally important and FTS will be launching a new training programme based on the SDGs which will clearly link FT principles to the SDGs.

FTS does not currently have a programme specifically aimed at educational organisations, unlike Fair Trade in Scotland. To address this FTS are looking into introducing an educational engagement programme with a focus on increasing young people engagement. Some years ago, FTS had some funding for work with schools and materials were produced for educational organisations from kindergarten to high schools and included 'Swedish for Immigrants' courses for which a study programme was developed. However, materials were found to be too long (100 pages for High Schools) and complex for teachers and in 2020 it is planned to reduce this to 20/25 pages.

5.4.1 New Training Materials Linked to SDGs

Knowledge of the SDG's amongst the Swedish public is improving and within the education sector there is also more awareness in subject specific studies. Each section in the new materials will relate to one of the SDG goals. With an emphasis on the climate crisis and poverty reduction, it is intended that the resources will help to increase knowledge of how FT can help to improve the living conditions in developing countries and include case studies of environmentally friendly agricultural practices.

5.4.2 Engagement with Young People: Penpals Association

In 2019 FTS started working with an NGO called Brevvannerna⁷¹ on a project known as 'Letter Friends' or 'Penpal Association.' The Project starts with FTS's engagement coordinator writing a letter to pupils giving them tasks to help them to think about FT. The letter is read to each class and pupils in a school who are then responsible for carrying out the tasks. The 'Penpals Association' helps the pupils in summing up their work and providing FTS with their responses on completion. A response is then provided, and pupils feel they are in direct contact with FTS. As well as a letter a short film is produced with a smartphone which encourage the pupils to make positive changes, such as where to find FT products and talking to parents. To date, six schools have received the letter and the project has proved popular with students. The pupils appreciated being listened to by adults and the 'Penpals Association' has a website where teachers can download the letters.

The 'Penpals Association' is focused on SDG 4 (Good Education for All) and 13 (Improving Education of Climate Change Impacts) and new funding is currently being applied for, with FTS also partly funding the project. This Association has now also established a collaboration with KTH (Tulia Technical High School/ University), a highly regarded educational institution through which pupils will now be able to explore other topics relating to Fair Trade and embedding FTS within future educational dialogue.

5.4.3 Annual Fair Trade Campaigns

Each year there are two main campaigns, the autumn campaign is focused on stores and sales and the spring campaign focuses on local campaigning and engaging with FTS Member organisations and Ambassadors and local events. A survey is carried out annually which requests information about what activities Ambassadors have organised during the year. Ambassadors are also asked to check if there were any offers on FT products, and what campaign material is on display in shops etc.

5.4.4 Monitoring of Post Campaign Sales

A company is paid by FTS to monitor and evaluate the information gathered from the surveys and looks at sales of FT products the week before, during and after the campaign. FTS works with retailers is responsible for the liaison with the larger retailers such as LIDL, Co-op Sweden and ICA. FTS contact the retailers several months in advance to inform them when the campaign will be, the content of the campaign, the materials available and how they can be used. Part of the aim of this engagement is to ensure that products are in the stores all year round and that they actively participate in the campaigns with special offers and that when promoting the products, they refer to the campaigns.

⁷¹ brevvannerna.se/

5.5 Work with Fair Trade Product Retailers

FTS also works with [Systembolaget](#), the national wholesaler for alcoholic products, with the aim of increasing the volume of FT products sold through their 440 retail stores. In 2017 Systembolaget stocked 43 Fairtrade products and stock products certified by Fair for Life⁷² which certifies products in countries which are not developing countries.

Systembolaget actively promotes responsible consumption and employs a Sustainability Officer to ensure labour producing the products in developing countries are monitored through a reporting system. A Code of Conduct, 'amfori', (Trade with purpose)⁷³, was developed through work with producers by the Business Social Compliance Initiative (BSCI) which complies with UN Human Rights Conventions.

FTS recognises the need to improve explanations of what FT is given the number and variety of new certification labels available on the market. When Rainforest Alliance (RA) and UTZ merged in 2018 it was reported that they approached Fairtrade International with a view to amalgamating with the FT Mark. However, FTI was not prepared to lower its standards relating to producer empowerment and ownership.

5.6 UN Sustainable Development Goals (SDG) & 'Living Wage' Campaign

In 2006 Fairtrade International (FTI) published a report linking Fair Trade with the SDGs and FTS responded by holding seminars with a range of relevant speakers to explore subjects related to the SDGs in order to achieve common goals.

SDG /FT training materials will also be produced in 2020 across the partners involved. The materials will examine all 17 goals and go on to focus on the most relevant ones for Fair Trade, making the links to individual commodities. For example, the coffee literature will analyse the key risks, including climate change, within the coffee sector and how conditions for the producers can be improved. This is similar to the publication provided by the UK's Fairtrade Foundation on FT and SDGs.

5.6.1 Living Wage, Worker's Rights and Climate Change

These are the three main themes highlighted by FTS, which believes that the UN Goals cannot be achieved unless a living wage for producers / farmers is achieved. It was clear during our study visit that the climate change crisis has been prioritised by FTS in recognition of the fact that producers are also part of the solution. An example provided, was of a sugar producer from Nicaragua who is now using the waste materials from coffee production to produce energy and fertiliser.

5.7 Government Support, Policy Coherence & Public Procurement

In addition to the Government support FTS receives from SIDA, the Swedish Government also has influence to increase FT sales through Public Procurement. FTS employs a staff member who leads on procurement and strategic oversight over FT towns and cities issues. FTS initiates discussions about procurement and in the Fair Trade Towns and Cities attempts are made to influence political leaders. However, FTS regards current legislation as preventing purchasing policies which specify

⁷² www.fairforlife.org

⁷³ www.amfori.org

specific FT products: to overcome this FTS takes an advisory role in pointing out the criteria and standards that must be followed to potential procurers.

FTS also meets with the [Government Department for Public Procurement](#) to offer insights on FT and raise their awareness of the issues. This has resulted in visible increases in FT sales in some cases. Whilst FTS has no direct links with school catering, there are examples of FT awareness raising by FT Towns, such as one where the town facilitated its' school's the lunch menu listed Fairtrade ingredients.

5.8 Links between FT and Social Enterprise / Social Economy

In the past FT in Sweden has focused on the brand and the licensee, together with spreading awareness of the FT label and increasing sales. There has been less focus on links with smaller FTOs like social enterprises. However, FTS has links with the Association of FT Retailers (which are Members of FTS).

There is a recognition that its future work with FT cities, towns and municipalities FTS needs to broaden its outlook and the content of the Certification needs to include the full meaning of FT with the outcome of a fair deal for farmers and workers.

In some FT cities there is collaboration between FT and social enterprise such as FT cafes and shops. This mirrors an increased interest in social development in Swedish society generally including sustainability, climate change and FT themes relate to these issues.

FTS maintains that FT should include gender equality, children's / worker's rights and fighting against climate change. FTS will in future include these topics in any dialogue. FTS has found it difficult to include the 'eco' credentials of FT into awareness raising as the focus is on reducing poverty and creating social change.

5.9 Fair Trade Social Enterprise Cafes

Initially an EU funded project, Fair Trade Social Enterprise Cafes were developed and opened as a franchise chain of social firms, employing people who have difficulty accessing the labour market, with the aim of both supporting communities and increasing sales of Fair Trade, ecologically and locally produced food and drink products. [Kafe REKOmmenderas](#) in Sweden is the parent organisation responsible for promoting the concept of FT Cafes and aims to maintain an overall standard for the cafes. They are supplied by wholesalers that have a good range of FT products, one of the main suppliers is MENIGO⁷⁴. There is an agreement in place with wholesaler House of Fair Trade, a subsidiary of UK social enterprise Divine Chocolate Ltd, to supply other FT non-food products like clothes and handicrafts.

The cafes are situated in a variety of premises including a local museum, cultural centre, library and high school. FT cafés located in schools provide additional benefits as pupils can learn about FT and social firms through their interaction with the FT café. Support from the local councils include

⁷⁴ www.menigo.se

reduced rental and business support. Discussions are also currently taking place with the Ekobank about supporting the Social Enterprise FT Café concept with specific low interest loans.

One of the important developments within FT in Sweden is the course run by the Red Cross Folk High School which has been in place for 20 years – mostly delivered through distance learning but with some face to face training at the Folk High School. Those who have participated in this course have formed a very useful network from which individuals can be recruited to set up FT cafes and FT shops. Challenges still persist with this innovative model; with upskilling networking and knowledge a key priority and small FT shops are struggling in the face of large retailer competition.

5.9.1 ‘South to South’ Fair Trading opportunities and a future for North-North Fair-trading? ‘South to South’ Fair Trade within country or continent is a growth area for Fair Trade and supports the concept of sovereign food security in terms of sustainable livelihoods. FT Sweden is fully supportive of this development. With the climate crisis at the forefront of consumer and policy makers’ thinking, there are questions being raised about whether it is better to buy FT or ‘Local’ or ‘Buy Social’ linked to social enterprises. Whilst most FT products in the North can only be produced in the South, this may change in the future (for example, as has been the case with sugar beet production in the North). The development of South-South Fair trading offers opportunities to mitigate this impact and consumer concerns.

Alongside South-South developments, the WFTO is also keen to promote Fair Trade principles (such as a living wage and the rights of disadvantaged employees) as a way of transforming enterprise in the North, as well as the traditional North-South model. There is some disquiet from Fairtrade organisations internationally about this radical change to the way Fair Trade is understood and it is not a concept currently accepted by either FTS or FTF in the UK. It remains to be seen if WFTO’s radical re-think to FT’s message gains traction over the coming years.

5.9.2 Barriers to Sales Growth in Sweden

Our study visit found that those Fair Trade Leaders interviewed perceived barriers to be in the three main areas.

The first is focused on Fair Trade product differentiation, visibility and price. There are several new labels entering the market and FT’s position within this ‘label jungle’ is challenged; whilst UTZ and RA are better than no certifications at all, the price of the commodity is much lower than for a Fairtrade Mark product; FT products are not often placed in prominent positions in stores.

The second area cited was a perceived weakness in the FT system itself, where the Fairtrade Mark certification scheme is sometimes unable to provide a ‘Living Wage’ to producers because of the price set and paid for the commodity in each country of origin.

A third continuing barrier to overcome for Fair Trade promotion amongst consumers, was their lack of detailed knowledge (Fair Trade literacy). For example, the environmental impact of transporting FT roses from Kenya actually has less of a carbon footprint than roses grown in greenhouses in Holland, but there is a widespread perception that such imports are carbon intensive.

5.9.3 Opportunities for Sales Growth

There are several existing supply chains established to promote the sales of Fair Trade product offering in Sweden. The House of Fair Trade (HFT)⁷⁵ - a Swedish wholesaler which supplies FT shops with FT and fairly traded food and handicrafts - was acquired in 2018 by Divine Chocolate Ltd as a means to extending their market share and will continue to operate under the HFT brand and **Swedish retailer Sackeus⁷⁶ supplies FT products to FT shops** - collaborates closely with the Swedish Church. They also have a brand called Ecuale which includes coffee and chocolate in their range and they also supply Co-op Sweden.

FTS is seeking to increase its support for local FT groups in cities, towns and local authorities in collaboration with the adult education associations and other member organisations with the aim of increasing their activities over the year.

Finally, FTS cited their targeted campaigns as a key opportunity for growth, with an ambition to become a leader in creating change to reach the UN SDG's by 2030. For the next 3 years FTS will have 'Living Wage' as its campaign, with a focus on Cocoa in the first year; they have recently produced a report on 'Right to a Living Income' which received wide press coverage and they will be working on campaign and advocacy work to explain and address why a 'Living Wage' hasn't been achieved yet within the FT brand certification.

5.10 Summary Learning Points: Swedish Perspective

Support to Fairtrade Sweden by SIDA (Swedish International Co-operation Development Agency) and The National Consumer Agency has proved essential to Fair Trade's success in Sweden with the Fairtrade Ambassador Scheme playing a significant role in raising awareness of FT through 'FT Ambassadors' in all parts of Sweden since it started in 1998.

The links between SDGs and FT are recognised and new training materials are being developed for launch in 2020, emphasising their relevance to FT and linked to the FT International 'Living Wage' campaign. FTS has a key role in briefing the Government Department for Public Procurement and local authorities about FT and has a staff member with a specific procurement remit.

Bi-annual FT campaigns in spring and autumn retail stores are monitored and data collated, with a consumer research agency providing FTS with Swedish FT sales statistics. FTS works closely with retailers leading up to FT campaigns with supply of display materials and handouts.

The Swedish Association of FT Retailers supports FT Shops, 'World Shops' and FT cafes which are run as social enterprises selling mainly FT products but also locally produced products and organic produce, taking advantage of the 'provenance' trends in consumer demand.

FTS has linked up with the Swedish 'Letter Friend' Association which links school pupils through a digital platform with social causes including Fair Trade.

⁷⁵ housefairtrade.se/

⁷⁶ www.sackeus.se/

CASE STUDY 6: FAIR TRADE FOR MUTUAL BENEFIT: SOUTH KOREA



South Korea was mentioned by several of the key stakeholders and FT leaders, as a recent and innovative example of a country where FT sales have seen a sharp increase. Research has found that the reasons for this growth include:

- Strong Civil Society Organisations and social economy sector committed to advocating for Fair Trade to consumers
- A growing FT Towns Network, [with Seoul the world's first 'megacity'](#) to have been awarded FT Status: education and advocacy work is strong
- Diversification of Fair Trade products on offer
- Strong and direct relationships with producers
- Local government's efforts to accept and implement Fair Trade.
- Education and advocacy: civic society, social enterprise and government: there is high public awareness and adoption of Fair Trade in South Korea, with the role of 5 consumer co-operatives in the country (616 stores nationwide) and their ethical purchasing policies being regarded as crucial.

[The Asian F T Network Trading Company](#) was established in 2012 with support of consumers and citizens. It both promotes Fair Trade and develops, distributes and sells Fair Trade products itself. This includes products which contain both South Korean ingredients and those from the global South or less developed Asian countries. This provides community benefit and empowerment at both domestic and international levels.

[The Seoul Government](#) has designated the AFTNC organisation as an 'Excellent Social Economy Enterprise' with the support of the Mayor of Seoul. The company has launched 'Fairday Cost Rica Tarrazu Coffee' and develops and trades ingredients from the Philippines, Vietnam working with marginalised groups and farmers. Products includes those developed between South Korean and Vietnamese producers for mutual benefit to both communities' and economies.

Example: Fairday Cashew Soymilk

"Combines soymilk from South Korea with cashew nuts from Vietnam. AFTNC works with the Pucung Heung Producers' Association, a co-operative with 139 households farming less than 2 hectares of land. Cashew nuts from the co-operative are produced using eco- friendly farming methods, prohibiting the use of pesticides that are harmful to human bodies, and also prohibiting incineration, smoke emissions, and the use of hazardous materials packaging. The Fair Trade Premium, supported by the Asia Fair Trade Network, has provided fertilizers to the poor farmers in the village and presented scholarships and bicycles at nearby elementary schools.'

From the Asia FT Network Sales website

CASE STUDY 7: LEGISLATING FOR NORTH-NORTH FAIR TRADE - FRANCE

In France, an unexpected consequence of the Government's push for intellectual property for local produce (provenance) has boosted interest in projects focused on localisation and direct producer relationships. The French Government has embedded commitment to FT in law:

'France is one of the few European countries to have a public law about fair trade'
Where in 2005 French law defined Fair Trade as a trading relationship between northern buyers and economically disadvantaged producers from the South, 2014 legislation on social economy + 2015 decree defines Fair Trade as a universal concept, equally applicable to North - North trading relationships with the following FAIR Fair Trade core principles mentioned.

6 core fair trade principles in the French law (2014)

- a. Economically disadvantaged producers organized in democratic organizations
- b. Long term commitment for buyers > Minimum 3 years + derogation for the 1st year (this is more than the 2 years specified by the FT Mark)
- c. Payment by the buyers of a complementary amount to support collective projects dedicated to developing value chains and local areas
- d. Fair price paid by the buyers based on identified production costs and balanced trade negotiation
- e. Traceability and transparent information for consumers
- f. Education and awareness-raising actions towards consumers on sustainable production and responsible consumption

CASE STUDY 8: FAIR TRADE DESIGN INNOVATION – HOLLAND

‘investing in social innovation ... researching supply chain improvement’

The logo for Fairphone, consisting of the word "FAIRPHONE" in a bold, blue, sans-serif font.

Fairphone is a social enterprise company and registered B Corp set up in 2013 which is committed to creating a fairer electronics industry by developing and retailing a sustainable smartphones, designed and produced with minimal environmental impact and prioritises workers' welfare.

The company is based in Amsterdam, Netherlands and was supported in its start-up phase by the Waag Society, a foundation which aims to foster experimentation with new technologies, art and culture.

Fairphone was founded to develop a mobile device that **does not contain conflict minerals** (which in smartphones are typically gold, tin, tantalum and tungsten), has fair labour conditions for the workforce along the supply chain producing it and help people to use their phone longer. It is committed to circular economy approaches to re-cycling smartphone components and operates a Recycling programme for old mobile phones.

The second version of the company's device is one of the first modular smartphones available for purchase – designed to be easily repaired and upgraded.

Fairphone was founded by Bas van Abel, Tessa Wernink and Miquel Ballester as a social enterprise company in January 2013, having existed as a campaign for two and a half years.

Transparency and openness

From the start, we've been very honest about what we can and can't do. It's almost an open source approach: if we put it out there, we can innovate and show what the best practice is, where we failed and where we succeeded, and other companies starting up as social enterprises can learn from our mistakes or achievements.'

Tessa Wernink: (former) CEO Fairphone: January 2017

Sales growth and marketing

The Fairphone 2 was the first smartphone to be awarded with a 10/10 score at iFixit for repairability and in 2019 won the Partnership Of The Year prize at the Responsible Business Awards. More than **130,000 Fairphones have been sold to date** and in 2017 had 60 people from 22 countries employed who spoke 18 languages.

By 2019 Fairphone had 290 employees with revenue of \$570M and has raised a total of \$25.4M in funding.

References: www.fairphone.com

Chapter 6 Scottish Global Citizenship as Fair Trade in Action: Conclusions and Recommendations

6.1 Introduction

Fair Trade in Scotland can rightly be proud of its achievements since the first handmade Christmas cards were retailed by Oxfam Scotland in the late 1960s. It is a movement founded on principles of justice, equality and dignity in trading relationships, made successful in Scotland through the commitment and values of grass roots campaigners and social entrepreneurs over 40 years. Sales of Fairtrade Mark Certified products have experienced a remarkable growth trajectory, achieving nearly £68 million in grocery sales in 2019 and this year the Fairtrade Mark celebrated its 25th Anniversary.

The FT mark remains, despite criticism, as one of the most robust and comprehensive certification process for ensuring that profit is not pursued at the expense of human rights, fair work and environmental justice and as such, through the International Fair Trade Charter, clearly defines what sustainable ethical and fair trading can look like. The Scottish Government has continued to support Fair Trade in Scotland through its International Development Strategy focused on Global Citizenship and has committed to continuing to fund the SFTF for a further three years which supports campaigners and advocates for Fair Trade across all public policy areas.

However, there is no room for complacency. Scottish Fair Trade grocery sales declined dramatically since several major brands withdrew from the Fairtrade Mark certification licensing (and took the license fee income for Fairtrade with them). This realised one of the key risks of focusing upscale activity on global corporate brands which do not practice Fair Trade principles across their whole corporate entity. Despite being reassessed as a Fair Trade Nation in 2017, there was a tangible sense of frustration expressed by Scottish Fair Trade campaigners and Fair Trade Organisations through our primary research. They felt that at Scottish Parliament and SG levels there was no real ongoing commitment to changing the way trade works, how businesses operate or in applying fair and ethical trading in the way in which public services procure goods.

The following series of recommendations (summarising the learning provided in chapters 2 to 6) recognise these challenges and frustrations expressed during the review. We suggest opportunities for strengthening the success of Fair Trade to date, drawing upon developments in pursuing Fair Trade and the SG Goals internationally. Responsibility for achieving growth in Fair Trade sales and ethical and fair trading/ business practices lies with all levels of Scottish society, from Parliament, Government and public agencies to business leaders, educators, young people and longstanding activists. The review also proposes practical ideas for taking forward some of the recommendations made and acknowledges that prioritisation of recommendations will need to take place within resources available. The SFTF will be required to both realise grant funding opportunities as they arise and maximise partnerships with like-minded organisations and public agencies.

Figure 6.1 provides a graphic representation of the context in which the four key priority themes for action identified by this review should be viewed. The four themes are:

- Fair Trading messaging and relevancy
- Influencing behaviour change: education and upskilling
- Visibility and access to product range
- Coherent Policy for sustainable development: making an impact.

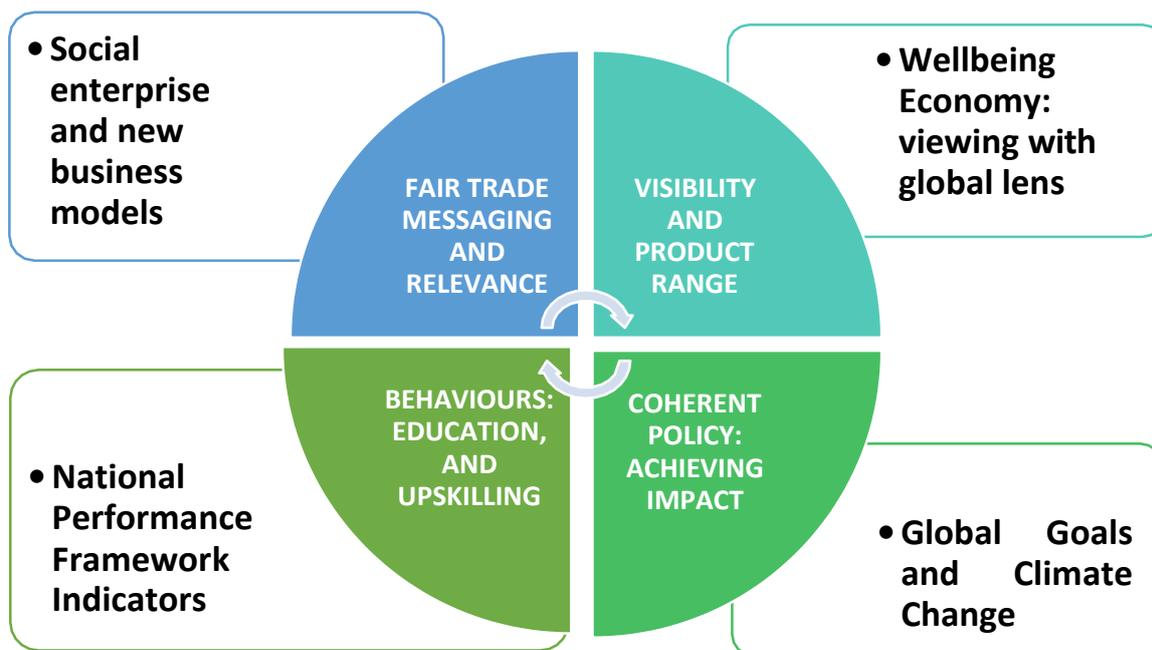


Figure 6.1: Fair Trade in Scotland: Graphic highlighting the key contextual themes in which Fair Trade in Scotland operates and the 4 key priorities identified by the review for Fair Trade in Scotland.

6.2 Fair Trade Nation and Scottish Fair Trade Forum Leadership Role

To consolidate, retain and build upon Scotland’s achievement as a Fair Trade Nation, the SFTF should focus on its independent role in advocating for, raising awareness of, Fair Trade principles across enterprise, public and governmental sectors, calling policies and services to account for their business policies and practices.

6.3 Fair Trade Messaging and relevancy

There is an opportunity to ‘re-boot’ Fair Trade’s messaging in Scotland, ensuring that its principles are regarded as part of the solution to the global challenges and economic policy trends emerging, such as a move towards a Wellbeing economy. Three key messages are vital for ensuring that Fair Trade’s focus on both humanity and the planet is not lost:

6.3.1 The Climate Crisis

Key to Fair Trade's future profile will be its ability to communicate how Fair Trade is part of the solution to the Climate crisis, rather than competing, and to align with campaign groups seeking immediate action, particularly during 2020 where the focus will be on Scotland with Glasgow hosting the United Nations Climate Change Conference (COP26). There has already been a significant drive to demonstrate synergy by both WFTO and Fairtrade Foundation in this respect and there needs to be sustained efforts to support Scottish and local networks to embed this into their messaging.

6.3.2 An Integral Part of Active Global Citizenship and the Wellbeing Economy

Scotland is positioning itself as a leader in development of a Wellbeing Economy model, which is jointly focused on 'people and planet outcomes'. This creates opportunities for Fair Trade to position itself at the heart of these transitional developments, referencing the relevant NPF indicators (non-international development measures) and reflecting not only a domestic (Scotland) approach to wellbeing, but approaching the indicators through a global lens in order to achieve impact on wellbeing internationally.

6.3.3 A Radical Movement: Fair and Just Trade

Fair Trade has its roots in a radical 'rights-based movement' for changing the way in which trade works. This it achieves by putting a premium on dignified trading and working relationships, rather than a philanthropic activity. Scotland needs to re-emphasise these core values for better ways of living and doing business at an international level in order to attract new and younger supporters of the movement. SDG13, Responsible Production and Consumption, is a good starting point for aligning Fair Trade to the Goals, but there is a risk that this might restrict its message and reach, as being misunderstood as a solely consumer oriented approach.

6.3.1 Practical Ideas

The Forum might consider using the structure of SDGs to undertake **annual focused and strategic educational messaging campaigns** highlighting Fair Trade's relevance to specific goals, starting with SDG 13 Climate Action in 2020 to ensure visibility relating to COP26

- a. Closer alignment to the social economy movement might be enhanced through the development of an **appropriate Scotland branding/logo** to be utilised in media and publications of all SFTF members and partners, Scottish organisations and business;
- b. Leadership by example is key but will only be effective if it is visible. Public agencies, business and Scottish Government's existing Fair Trade procurement practice and offer of **FT goods within its food services (in buildings and at events) needs to be more visible**, and consistently promoted / branded.

6.4 Influencing Behaviour change: Upskilling and Awareness Raising

Stakeholder understanding and informed awareness of Fair Trade in the context of Active Global Citizenship is generally poor, even amongst international development NGOs. Knowledge rarely extends beyond the FT Mark as a consumer labelling initiative. Global Citizen education relating to Fair Trade across all 10 principles is required to address this and should be facilitated across trade, purchasing and business functions within the public and government sectors in Scotland if real change and scalable Fair Trade growth is to be achieved. All SGID partner organisations have a role to play in working together towards their shared 'fairer world' goal in the context of SDGs.

Wider SG directorates and SG agencies have responsibility for ensuring that SFTF has access to the appropriate forum to provide information and share knowledge of the key principles of Fair Trade and good practice already in existence. At the forefront of this work, the SG Learning Directorate, which has responsibility for Curriculum development, should consider scope for collaboration between FE Colleges, Education Scotland, Workers' Educational Association, Scotland's Learning Partnerships and Learning Link (the networking organisation for adult education providers). It might also examine the scope for FT to become an integral part of Adult Community Learning & Development and the Learning for Sustainability short courses run by Education Centres.

Other less obvious policy areas also have a part to play. For example, more work is required to provide the SG's Scottish Procurement & Commercial Directorate with a detailed briefing about ways in which purchasing Fair Trade products will support Scotland's implementation of SDGs and sustainable procurement legislation.

Other public agencies and membership organisations representing Scottish business (both small business and major companies with a Scottish base) should be encouraged to voluntarily participate and/or commission awareness raising of fair and ethical trade and the delivery of SDGs through the NPF indicators. There is a clear role for both SFTF and Scotland's ID Alliance members in providing training and engagement activities that support the alignment of Scottish business and public agency Corporate policies to fair and ethical trading practice. Lastly, the Co-operative Group's Member Pioneers are regarded as an important source of support for raising awareness amongst consumers and should be encouraged to connect to a local city/ town/school Fair Trade group where such links do not currently exist.

6.4.1 Practical Project Ideas

- a. **A Global Citizenship annual award scheme** might be considered to bring together cross-sectoral partners from business, public agencies, social enterprise and NGOs (complimenting existing award schemes) in order to demonstrate good practice in global citizenship that goes 'beyond aid' and philanthropic approaches. The awards scheme could become a showcase for demonstrating inter-dependencies across SDG themes and 'ethical and fair trading' models.
- b. **A small grant funding programme or sponsorship opportunity** (such as through partnerships with business and university interests) should be considered/ extended to fund pilot curriculum and awareness raising material/events for business and public sectors which can be tracked in terms of impact on sales growth within an organisation or sector (e.g. colleges and universities where there is an existing commitment to Fair Trade and academic staff with an interest in developing further resources).
- c. **Letter Friends Scheme** – consider this low-cost model of engaging with schools across Global Citizenship themes, including Fair Trade.
- d. **Fair Trade Module** - a potential opportunity is for one of the Colleges or Universities with FT status to be supported in initiating a Fair Trade module at the appropriate academic level forming part of HNC/HND, degree or other higher education course linked to SDG's (the review is aware of interest by lecturing staff in taking this forward)

6.5 Coherent Policy for Sustainable Development: Making an Impact

The [Scottish Business Pledge](#), developed between the SG and business, is a clear area of inconsistency in terms of an holistic approach to SDG implementation and the pursuit of fair and ethical trade globally. The Pledge needs to urgently develop meaningful indicators for trading internationally, with an emphasis on supplier relationships, traceability and corporate responsibility for supply chains.

Within the SG and its agencies, priority should be given to policy coherence and ‘doing no harm’ in relation to International Trade policy and Sustainable public procurement. Further work is required across SG directorates to provide a meaningful definition of what Ministers regard as ‘fair and ethical trade’.

6.5.1 Priority Practical Actions

- a. The business-led group working on a draft Action Plan for Business and Human Rights should urgently consider the auditing of their proposals by an independent agency such as the Forum or Alliance (or one of its members) in order to eliminate policy incoherence and provide independent scrutiny to the proposals;
- b. The Scottish Sustainable Procurement Strategy should review, in its next refresh, its definition of Fair and Ethical Trade and the barriers currently inhibiting adoption of Fair Trade products within voluntary interpretation of sustainable procurement;
- c. The NHS in Scotland should urgently review its current published Procurement Strategy and guidance for health boards, ensuring that it defines ethical and fair trading to provide consistency with its Active Global Citizenship commitment.

6.6 Fair Trade Visibility and Product Range: Opportunities

As part of the national debate on sustainable food supply chains, there are opportunities for alignment of Fair Trade suppliers and products to the new organic, locally sourced demand for food, which emphasises direct relationships with producers.

SFTF and its members should explore how it might achieve resource efficiencies and more direct relationships with suppliers through the creation of one national or several distribution hubs through which retailers could purchase. There is a specific need for such a network to broaden the range of products on offer and achieve economies of scale in purchasing. This will require business/ social enterprise start up support to establish and short term loan funding for initial stock.

Working with actively engaged Fair Trade Universities, Colleges, schools and FTOs in Scotland, there are opportunities to develop and support innovative models of short, transparent Fair Trade supply chains, working in partnership with producer groups in the developing world to introduce new products (and engage disadvantaged communities in Scotland) for mutual communities’ benefit.

6.6.1 Practical Ideas

One purchasing manager expressed enthusiasm for developing a 'College enterprise' working with students with additional support needs to create a social enterprise that purchases, roasts and markets coffee beans from an identified Fairtrade certified producer co-operative. Such an initiative would enable enterprising activity and provide community benefit for Scottish young people as well as supporting Fairtrade sales and generating a Fair Trade Premium (albeit at a very modest level).

6.7 Scaling Up Fair Trade Growth

As the most significant market for developing FTOs and the wider Fair Trade market, procurement by public agencies and large corporates of Fair Trade products must become a priority for the Scottish Government across its directorates to ensure that its sustainable procurement principles are, in fact, being enacted in practice. This represents the most effective mechanism for increasing sales growth at scale in Scotland, given the withdrawal of several major brands and retailers from FT licensing scheme and the limited visibility and choice of FT products on supermarket shelves. This Review advocates that priority should be given to working with food service providers on their knowledge of Fair Trade range of products on offer to the public and corporate sector markets.

This should include consideration of KPI and target setting for year on year improvements in Fair Trade contracts. A next step on the sustainability journey will be to set baseline, indicators and targets for both the growth of expenditure on fair and ethical trade (and environmentally sustainable products) and the expansion of product ranges. SGID might also consider whether the FT mark certified sales figures be used as one of their International Development indicators within the NPF.

Our understanding is that data on current public procurement sales volumes for Fairtrade produce is not collated by any of the national procurement agencies. The key procurement agencies Excel, TUCO, NHS, APUC are encouraged to work together to establish a baseline and achieve year on year improvements.

6.8 Advocating for Fair Trade: Volunteering and Civic Society

Consideration should be given to strengthening the structure, management and role of volunteering for Global Citizenship action to achieve change in consumer and retailer purchasing behaviour, building on the strength of grass roots Fair Trade networks across Scotland and the existing work of Development Education Centres.

To encourage volunteering amongst young people, the SFTF might look at the structure provided by the Saltire Award scheme for volunteering and the different types of volunteering roles accredited. The Investing in Volunteers accreditation scheme might also be considered as a development action for the SFTF, with support to finance training in order to better promote the volunteering roles within Fair Trade and global citizenship action in Scotland.

The Fair Trade Sweden 'Ambassador Scheme' is a strong example worth exploring to determine whether it would be a relevant model that could add value to the existing remit of the SFTF – particularly its digital based training and specific training linking FT to SDGs and with a focus on 'Living Wage' commitment.

6.9 Business Support for Fair Trade Organisations as Social Enterprise

With an increasing recognition of the social economy as a key contributor to economic strategies, opportunities exist for developing alliances between Fair Trade and Social Enterprise and third sector representatives in Scotland. This should be in particular reference to promoting awareness of Fair Trade as a social business model and a means of achieving social good globally. The work of the World Fair Trade Organisation CEO Erinch Sahan is commended in this respect.

Given the complex network of social enterprise organisations that exist in Scotland, it will be important to support the Forum by identifying the most appropriate sources of support and to map the most effective support journey for Scottish FTOs. Urgent support for FTOs facing persistent barriers to growth is required, if existing products are not to be lost from the Scottish market.

6.9.1 Practical Ideas

- a. A process to determine the most effective 'business support pathway' for an existing Scottish FTO could be undertaken immediately. An appropriate social enterprise organisation would map the most effective pathway for FTOs, assessing sources of guidance for appropriateness, referring where necessary and monitoring business development progress over a six-month period. This would establish where the 'choke' points for FTOs are within existing referral processes and the Social Enterprise Map of Scotland and identify the most productive sources of advice.
- b. In tandem with the pilot and using the business support needs identified through the Review's online survey, Social economy leaders should be encouraged to work with the Forum to offer business support for start-ups and existing enterprises facing challenges.
- c. Social Firms Scotland and Social Enterprise Scotland should consider examining FT cafes run as Social firms in Sweden to investigate whether the 'concept' would have relevance within the social enterprise sector in Scotland.

APPENDIX 1: Qualitative interviews conducted for the review

Our thanks are due to the following individuals who gave of their time to speak to us in the course of the review.

1:1 QUALITATIVE INTERVIEWS		
Title	Organisation	Date interviewed
RETAILERS		
Partner and Sustainability Coordinator	Waitrose	04/11/2019
Sustainability Sourcing & FT Manager	Co-op	07/09/2019
Member Pioneer Manager	Co-op	18/09/2019
CORPORATE GLOBAL CITIZENSHIP		
Depute Director of Global Impact	Johnson and Johnson	03/12/2019
FAIR TRADE LEADERS: SCOTLAND, UK AND INTERNATIONALLY		
Chief Executive	World Fair Trade Organisation	01/11/2019
Chief Executive	EU FT Advocacy Office	28/10/2019
Chief Executive	Divine Chocolate Ltd.	03/12/2019
Managing Director	Shared Interest Society	01/08/2019
Non-Profit Adviser	Chair of SFTF Fair Trade Nation Social Audit Panel	16/10/2019
Chief Executive	Scottish Fair Trade Forum	23/09/2019
Editor	Journal of Fair Trade	25/09/2019
ACADEMIC LEADERS IN RETAIL AND BUSINESS ETHICS		
Professor of Retail Studies	University of Stirling	22/08/2019
Senior Lecturer Business Ethics	Portsmouth University	24/10/2019

BUSINESS & SOCIAL ENTERPRISE AGENCIES AND POLICY		
Social Enterprise lead officer	Council for Ethnic Minority Voluntary Organisations	18/10/2019
Chief Executive	Scotland Malawi Partnership	08/10/2019
Communities Coordinator	Highlands and Islands Enterprise	15/10/2019
Business Development	Community Enterprise in Scotland	17/10/2019
Director	International Social Enterprise Observatory	03/12/2019
Social Economy Manager	Scottish Enterprise	14/10/2019
Non-Executive Director	Scottish Wellbeing Economy Alliance	02/12/2019
Highlands & Islands Hub Manager	Social Enterprise Academy	23/09/2019
THE SCOTTISH GOVERNMENT: POLICY LEADS		
International Climate Change policy	the Scottish Government	28/10/2019
Fair and Inclusive Workplaces	the Scottish Government	23/10/2019
Curriculum Development Policy Manager	the Scottish Government, Learning for Sustainability	25/09/2019
Brexit readiness, Trade Policy	the Scottish Government	01/11/2019
Human Rights Policy	the Scottish Government	23/10/2019
FAIR TRADE ORGANISATIONS		
Managing Director	Bala Sports	11/11/2019
Director	Balmore Trust/ Gavin's Mill/ Just Trading Scotland	30/11/2019
Owner	Precious Metals Workshop	07/10/2019
	Rwanda Producers	23/09/2019
Treasurer	Highland One World Group (DEC Network)	26/09/2019
Coffee Entrepreneur	Cal's Coffee	16/10/2019
Chief Executive	Kool Skools	
Development Manager	Scottish Fair Trade Forum	24/10/2019

SWEDEN CASE STUDY INTERVIEWS		
Consultant	Swedish Fair Trade Cafes	22/10/2019
Engagement Officer	Fair Trade Sweden	24/10/2019
Co-Ordinator	Swedish Association of Fair Trade Retailers	29/10/2019
Fair Trade Course Lecturer & FT Campaigner	Folk High School Hvilan	06/11/2019
INTERNATIONAL DEVELOPMENT ORGANISATIONS, SCOTLAND		
Chief Executive	Scotland's International Development Alliance	05/12/2019
Policy, Advocacy and Communications Officer	Scotland's International Development Alliance	06/12/2019
Director	Oxfam Scotland	22/11/2019
Chief Executive	Scotland Malawi Partnership	18/11/2019
FURTHER AND HIGHER EDUCATION		
Catering and Cleaning Services Manager	Glasgow Clyde College	08/10/2019
Procurement Policy lead	University of Edinburgh	

APPENDIX 2: Feedback from facilitated Workshops at SFTF Campaigner's Conference

Motherwell: Saturday 7 September 2019

What are the factors / characteristics that distinguish the fair trade market in Scotland?

- Association with faith groups
- Lidl and Aldi have done a lot to promote Fair Trade
- Diversity and distribution of Fair Trade retailers – mitigates risk of fair trade market collapsing
- Fair Trade identity within local authorities
- Fair Trade campaigns e.g. school-wear, nurseries and Fair Trade town groups
- Existence of the Scottish Fair Trade Forum – sharing ideas through members' meetings in regional areas
- The nature of Scottish people i.e. justice-minded & community-based
- We have our own political structure (international development is a devolved issue)
- Cross-party group on Fair Trade
- Strong Scottish association with like-minded political parties

What more could be done at national level to help support and promote FT sales growth

What sells well?

- Coffee, tea, chocolate, sugar and bananas
- Cheap sells well
- Crafts & wooden toys.

What's unique to Scotland?

- Fair Trade tartan
- One of a few Fair Trade Nations.

Successes / strengths?

- Customers «joining the dots» to environmental etc. issues
- Strong retailers – JTS, Bala Sports etc.

Unique opportunities

- Linking to environmental issues
- Tourism
- Councils
- T Shirts
- Sports Balls

What more could be done at National level to help & promote FT sales & growth?

- More help and support from the Scottish Government to promote the fact we are a Fair Trade Nation. There is not enough recognition of the responsibilities our nation has in order to maintain our status.
- The Scottish Government should support verification of suppliers bidding for public sector contracts through third party verification programmes (e.g. Fairtrade and WFTO).
- More support for Fair Trade retailers to win public sector tenders (especially direct

purchases and call offs) e.g. advice in being tender-ready and reduced fees for entry into Dynamic Purchasing System. Some Fair Trade suppliers are not aware of how they can even add their products on these systems.

It should be noted that further procurement of Fair Trade goods in the public sector was mentioned several times**

- Political Parties to draft motions to support & promote FT Draft a new cross-party charter to Councils to support FT
- Scottish Youth Forum (Scottish Young people's FT Network?) to make links with Scottish Government to promote FT amongst youth post early years
- Increase investment in FT business in Scotland
- Should Scotland have its own register of Fair Trade towns, cities and local authorities? Could a different model be used to assess whether Scotland can call itself a Fair Trade nation?
- Charitable organisations (e.g. the National Trust) and social enterprises also have a responsibility to source ethically. More should be done to spread awareness of Fair Trade principles to such organisations and what they can do to help.
- We need greater links between Governmental International Aid and achieving Fair Trade outcomes
- Education publicising Fair Trade practices
- More public sector organisations should adhere to the Electronics Watch code of conduct.

In your experience what are the key needs / gaps in the delivery of FT Promotion?

- There is growing concern that older Fair Trade groups throughout Scotland are not able to involve young people who will be able to carry on the sentiment for Fair Trade in their local communities.
- More faith groups and religious leaders should be involved in Fair Trade. Is there scope for more to sign the International Charter and to procure more after their services?
- Sometimes more affluent areas are less likely to support Fair Trade Public sector bodies do not buy ethically
- Availability of product – not always nationwide coverage

Where is awareness poorest?

- Areas without independent retailers, e.g. Hadeel, Rainbow Turtle, One World etc. Lack of coverage in media
- We need to change the sentiment behind Fair Trade. The general public believe Fair Trade campaigns to be completed or failed. They don't seem to understand there is still so much to do.

- Further need for myth-busting e.g. FT is more expensive and doesn't taste as good. People don't know what it means to be a FT town/zone/nation

What do we need more of?

- Social Enterprises that support Fair Trade Ambassadors for FT
- Educating to be a Global Citizen
- Make people aware that Fair Trade supports eco-friendly producers We need a new award to recognise Fair Trade employers
- We need better literacy when it comes to Fair Trade
- Education on syllabus for national exams and provision of courses at higher and further educational levels. Also, further funding for nurseries programme
- A series of articles on Fair Trade in The Times educational supplement and government/public sector modes of communication
- Increase in public sector procurement More trade shows / exhibitions
- More Scottish Government support for FT businesses (training/ tax relief / access to export markets)
- Support for FT businesses to compete with larger multiples

APPENDIX 3: Workshop participants, Perth, 3 October 2019

Organisation/company
All Things Fair, Blairgowrie
Social Enterprise Academy
Inverurie West Church (Ubuntu FT shop)
University of St Andrews
Green City Co-operative
Scottish Fair Trade Forum
Scottish Government
Consultant, Martin Meteyard & Associates
Cooperative College trustee
Just Trading Scotland
Scottish Fair Trade Forum volunteer
Acorn Centre, Inverurie (Ubuntu FT shop)
Consultant, Martin Meteyard & Associates
St Andrews Fair Trade Town Group
Scottish Fair Trade Forum
Consultant, Martin Meteyard & Associates
Inverness FT Group
Burntisland FT Group

APPENDIX 4: Workshop discussion outputs: 3 October 2019

Workshop 1: *Ideas on how suppliers can co-operate with / campaigners to raise awareness & grow sales*

- ▶ Complementarity of vegan/local/organic markets: localism a key opportunity (only honey & sugar grown in Scotland)
- ▶ Mixed marketing strategy: juxtaposing positive message on the impact of FT with the negative norm of non-FT practices e.g. T-shirt
- ▶ Import and distribution clearing hub for Scotland?
- ▶ Emphasis on alignment with responsible consumption and quality



Workshop 1: *Ideas on how suppliers / retailers can co-operate with / campaigners to raise awareness & grow sales*

- ▶ Import and distribution clearing hub for Scotland?
- ▶ Lobby on Fair Trade importance to Climate and Good Food Nation Bills
- ▶ Public sector procurement:
 - ▶ support for LAs in accessing FT product ranges
 - ▶ making mandatory: FT uniforms/footballs - policy statement from SGovt?
- ▶ Accredited volunteering scheme for young people (DofE etc.)

Workshop 2: Ideas

- ▶ Celebrate breadth and diversity of FT
- ▶ Capturing interest of young people: fashion, phones
- ▶ Campaign on niche products: enabling a simpler change in public and private sector
- ▶ Support for entrepreneurial FTO development: cross fertilisation
- ▶ University entrepreneurial support & education for students: living the values
- ▶ Promoting understanding on what FT criteria mean and disadvantages of in-house certification
- ▶ One Stop web page: what should I ask as a responsible consumer?
- ▶ Independent audit of ethical trade labels
- ▶ 'Make one switch' campaign for Scotland > responsible consumption beyond FT
- ▶ Use Key influencers: women's football

Workshop 3: ideas

- ▶ Recruitment drive for FT campaigners
- ▶ Young people's Fair Trade Internship programme
- ▶ Badge scheme for uniformed youth organisations
- ▶ Mitigation of climate impacts links
- ▶ (Electronics Watch code: EU procurement) *been achieved?*
- ▶ Lobby within S Parliament and party conferences
- ▶ Producers/ importers education on public procurement/ H&S regulations
- ▶ Supporting positive promotion of retailers adopters
- ▶ FT Towns/cities: overbearing audit requirements for renewal
- ▶ Social media strategy support

APPENDIX 5: International Fair Trade Towns Conference 2019 – Review

Prepared by Naima Fenderl, Member of Scottish Fair Trade Young People’s Network and master’s student in Development Studies at University of St Andrews.

Abbreviations:

FT = Fair Trade

WFTO = World Fair Trade Organisation

XR = Extinction Rebellion

SDGs = Sustainable Development Goals

Background:

The IFTTC took place 18th-20th of October 2019 in Cardiff, Wales

became the first Fair Trade Nation in 2008

Theme: ‘The Future of Fair Trade’

Key messages:

- Fair trade is a human rights issue – this should be made clear to consumers
- More emphasis needed on the link between fair trade and current global issues such as climate change – this can increase understanding and grow sales
- Engaging the youth is crucial in growing public knowledge of fair trade – popularity has decreased due to other issues in the spotlight
- Systemic change comes from grassroots – but government action is key for fundamental, long- term and effective advances
- Transparency and engagement are becoming ever-more important and strongly benefit organisations’ appeal
- Policy aims should include fair trade becoming embedded into the system rather than acting as an ‘extra’

1. Raising awareness/growing sales:

- Consumers should be pushed to ask more questions/engage with companies to show that they care – increased demand = increased supply
- Encouraging reconnection between those in cities and farmers/the countryside – where does your food actually come from?
- Consumer must understand what the Fairtrade mark stands for/how it is linked to current issues
- buying FT products helps to fight climate change
- Hope needs to be made practical – show consumers they can make a difference by buying FT
- In places that offer both FT and non-FT products: make FT the standard option so you must ask
 - for non-FT, e.g. when buying coffee
- Giving FT groups a physical space to work in is essential for effective and productive promotion

2. Engaging a younger demographic:

- Fair Trade Schools – curriculum changes can pressure movement to FT – children can heavily influence parental buying habits
- Cross-year teaching of FT involves all ages & promotes inclusion Germany: 648 Fair Trade Schools
 - Set up ‘Fairtrade-Schools Academy’ to engage & empower the youth and help with promotion, organisation & education
 - Put on many events e.g. fashion revolution, FT breakfasts, Fairtrade fortnight, FT days, competitions, surveys, art & selling of FT roses

France:

- ‘Service civique’ (civil service) at Artisans du Monde (French fair trade network) – small compensation given so young people can afford to help the community
- Young Ambassadors of Fair Trade – scheme to give associative experience, promote education, advocacy, selling & consuming of FT products e.g. through tuck shops
- Fair Trade Schools: <https://www.label-ecoles-equitable.fr/>

Scotland:

- Scottish Fair Trade Forum & Young People’s Network – developed toolkit to help campaigners
 - <http://www.scottishfairtradeforum.org.uk/take-action/campaign-toolkit.html>
Promoting FT opportunities as work experience could engage more young adults
- Connecting FT to current issues such as climate change, single-use plastics etc. is vital – young people are very involved as seen in climate strikes & XR movement, but need to educate on links between all of these causes
- Young people believe in Fairtrade, but do not buy it in stores – issue of price – but they can still support the movement through campaigning, lobbying etc.
- Use of social media is key in engagement with young people

University:

- Integrating FT into academia – not just at a school level – to increase awareness & knowledge
- Comprehensive FT research (not spot/debunk research) is needed – opportunities to work with universities
- Can be linked to many disciplines such as economics, business, fashion etc.
- Finland: students receive Fairmakers training – integrated into university studies
- US: universities given their own page on Fairtrade campaigns website – important for recognition & transparency
- <https://fairtradecampaigns.org/campaign-type/universities/>

3. Alignment to SDGs & Climate Crisis Agenda:

Producer perspective – Nimrod Wambette (MEACCE Uganda)

- Future of Fair Trade lies in efforts to combat climate change – SDG13
- Crops depend on rain & climate conditions – mudslides & droughts can heavily affect farmers – SDG15
- FT Premium buys mosquito nets, provides water etc. – SDG3, SDG6
- School curriculum changes can pressure movement to FT – SDG4

- Sustainable public procurement is essential for successful implementation of the SDGs
 - relevance to UNGP business & human rights agenda
- Relevance of FT in relation to SDGs should be emphasised more – trade not aid approach is key

4. Government Policy:

- Trade agreements are powerful tools but detached from FT values – can override climate agreements and affect health, digital and legal aspects of life – this needs to be examined
- 2014 EU Public Procurement Directive – extra points given to fair trade products

Wales:

- All Wales Catering contract & 2009 One Planet Wales strategy have driven procurement opportunities – policies state buy local AND fair trade
- 60 Fairtrade items in welsh government
- Government action is vital as legislation from the top will have the biggest impacts

Saarbrücken (Germany):

- Fairtrade procurement for catering of 16 kindergartens – parents were surveyed and agreed on importance of investment in sustainable procurement

Finland:

- 2017 campaign to get sustainability criteria in public procurement
- 15 organisations involved (including Worldvision, Unicef, FSC & more)
- Launched a guide for public procurers
- Started market dialogue about textiles with FT towns – one town wants to remove child labour from procurement – campaign involved contacting FT towns & sending guides to councillors, participate in steering group meetings, tell decision makers about guide

5. Case Studies:

Oxfam 'Behind the Barcodes' campaign

- Rating & ranking of supermarkets based on 93 indicators linked to human rights throughout the supply chain
- Stores have made commitments due to campaign but have also taken them back (e.g. Lidl + Aldi) – 'Big on talk | Lidl on action' – use of slogans is effective
- <https://oxfamapps.org/behindthebarcodes/>

Ghent: winner of first 'EU Cities for Fair and Ethical Trade' Award

- First Belgian FT Town
- 3 pillars: leading by example, supporting pioneers, promoting ethical consumption
- Involved consumers, businesses & the international community

- Organised public awareness-raising events such as the Fair Fashion Fest
- Active engagement of public and private stakeholders in the 'Ghent Fair Trade' group – a partnership between the city and civil society organisations which is the driving force behind Ghent's awareness-raising efforts
- Cross-border collaboration to exchange best practices
- Developed a multilingual toolbox to guide purchasers in sourcing sustainable clothing:
- <http://platforma-dev.eu/wp-content/uploads/2018/06/Toolbox-VVSG-EN.pdf>

6. Innovative products/organisations:

Zero waste shop Ripple (founded by Sophie Rae)

- Not for profit/profit for purpose – all workers on minimum wage
- Business is thriving
- <https://www.rippleliving.co.uk/>

Fairebel – Belgium

- organic and fairly traded milk (and other products)
- <https://www.fairebel.be/a-propos/>

The FIG Tree

- Social enterprise providing information & workshops with a focus on chocolate
- <http://fairtradecentre.org/about/>

Fair Tax Mark

- Certification scheme to encourage transparency around corporation taxes
- <https://fairtaxmark.net/who-we-are/>

7. Other interesting points:

Fair Trade vs. local – which is better?

- Locally integrated businesses more likely to follow fair trade principles in general – do not need it as much?
- Carbon footprint of imported FT products can be lower than when locally grown due to energy usage, climate etc.
- However: people are left behind everywhere, including 'global north' – WFTO starting to work with European businesses too

Certified Fairtrade vs. fairly traded/own-label

- 80% of British public trusts the Fairtrade mark (Fairtrade Foundation)
- Authenticity matters
- Transparency is key: all schemes should show & tell (e.g. supply chains)

APPENDIX 6: TOPIC GUIDES FOR QUALITATIVE INTERVIEWS

Scottish Government Review of Fair Trade Retail Promotion

2019 External Stakeholder topic guide

Note: external stakeholders include FT leaders at Scotland, UK and European level, academics, key FTOs in Scotland and beyond and representatives of special interest group/ social enterprise.

Meteyard and Associates has recently been commissioned by the Scottish Government International Development Team to carry out a Review of Fair Trade Retail Promotion in Scotland in order to build a comprehensive picture of the depth, breadth and effectiveness of Fair Trade sales and activities in Scotland and make recommendations on how to boost sales growth.

The review is set in the context of the wider SG agenda for Policy Coherence for Sustainable development and the team has been asked to ensure that the strategies for inclusive economy, trade and human rights also feed into the review.

An important part of this review process is data gathering from retailers, suppliers and influencers of the fair trade market in Scotland, through surveys, telephone interviews and workshops over the next two months.

1. Introduction

- Introduce researcher, explain purpose of review and interview
- Include wider context of SG 'Beyond Aid' agenda and contribution of FT to SDG goals
- Reassurances about confidentiality. We will seek prior approval from you for any specific comments you make that we would like to include in the final report. These may be anonymised or attributable, dependent on your response.
- Permission to record/ note take (as appropriate)
- Any questions?

2. Background (prompts where relevant to stakeholder)

- Confirm stakeholder's role within the 'fair trade'/ business support /public policy/ wider food/craft world (and knowledge of Scottish scene).
- Previous involvement and contact with Scottish Fair Trade Forum, S Government international development initiatives or wider UK/European organisations (FTF, FLO).
- Experience of 'ethical labelling' initiatives and the perceived importance of 'people and planet' issues to consumers and specific issues around this (such as labelling fatigue).
- Growing importance of SDG goals at governmental and/or market level and alignment of FT to this (comment).

Prompt for variations in perceptions.

3. Trends in Fair Trade (this may not be relevant to some stakeholders)

- 2.6.3.1 Seek comment on importance of ethical labelling to the consumer and its growth trajectory over the past 10 years (Europe/ UK/ Scotland)
- 2.6.3.2 Perceptions of how fair trade has fared within the 'People and Planet' marketplace in the last few years
- 2.6.3.3 Sales performance: knowledge/ how other countries measure this.
- 2.6.3.4 What baselines do other countries use from which to measure the growth of fair trade?

4. Barriers to sales growth

Discuss key barriers and threats to fair trade sales growth.

Probes:

- 2.6.3.5 Brexit,
- 2.6.3.6 lack of eco-credentials,
- 2.6.3.7 commodity prices, cost,
- 2.6.3.8 market access,
- 2.6.3.9 distribution / supply chains, sustainability of supply
- 2.6.3.10 consumer confusion

5. Opportunities for sales growth

- 2.6.3.11 Knowledge/ perceptions of critical success factors for increased sales of FT goods (what has worked)
e.g. public procurement, distribution centres, promotional activity, educational initiatives
- 2.6.3.12 European level good practice? Sources/ referral?
- 2.6.3.13 What more could Scotland as a FT Nation do to utilise these as part of a sales growth strategy?

6. Interaction with wider trade/ social enterprise initiatives

- 2.6.3.14 Description of stakeholder's role in terms of support networks for FTOs (if any)
- 2.6.3.15 How do they think their organisation could 'join up' with and support what SFTF/ SG is doing to further the fair trade agenda?

7. Anything to add not covered?

Thank the interviewee and confirm that any proposed references that would identify the respondent/ their company will be passed to them for approval to include in final report, should they so wish.

APPENDIX 7

Copy of Fair Trade Campaigner survey

About you

Thank you for participating in this Scottish Government commissioned review of fair trade sales promotion in Scotland. The survey should take a maximum of 20 minutes to complete.

All responses will be anonymised and aggregated and no individual or company identified in our analysis of responses, unless you wish us to do so. You'll be given the option to add your personal details at the end of the survey.

*** 1. How would you describe your involvement with fair trade in Scotland?**

Please tick as many as apply

- | | |
|---|--|
| <input type="checkbox"/> An individual campaigner | <input type="checkbox"/> Member of a faith based group |
| <input type="checkbox"/> Member of FT town/village/ area grouping | <input type="checkbox"/> Involved in Development Education Centres |
| <input type="checkbox"/> Member of schools FT group | <input type="checkbox"/> A Co-operative/Scotmid group member |
| <input type="checkbox"/> Member of FT university or college group | <input type="checkbox"/> A business with an interest in fair trade |

*** 2. Is your involvement in promoting/ campaigning for fair trade:**

*** 3. Where are you/ your group based?**

If possible please use your postcode to answer this question.

*** 4. Are you a member of Scottish Fair Trade Forum?**

- Yes
- No

Copy of Fair Trade Campaigner survey

Fair trade and the international goals for sustainable development (SDGs)

We would like to explore the links between fair trade and the SDGs as well as identify what you consider central to the fair trade message.

* 5. Are you aware of Scottish Government's commitment to the International Goals for Sustainable Development?

* 6. Thinking about potential consumers of fair trade, which of the following Sustainable Development Goals do you think fair trade promotion in Scotland should be most closely aligning itself to?

please rank the following in order of importance to fair trade, where 1 = most important to the fair trade message

- No poverty
- Zero hunger
- Gender equality
- Decent work and economic growth
- Reducing inequalities
- Climate change action
- Responsible consumption and production

7. Additional comments

* 8. How important do you consider the 'social premium' to be (the additional funding to improve producers' economic and social conditions which producers decide how to spend under the FT mark certification scheme) to the message you promote about fair trade?

- Central to fair trade message
- Quite important
- Not really important
- A positive extra, but not fundamental to fair trade
- Other (please specify)

*** 9. Which of the following fair trade registered certification marks do you understand to represent fair trade practice? Please tick as many as apply.**

- | | |
|--|---|
| <input type="checkbox"/> Fairtrade Mark (registered certification from the FairTrade Labelling Organisation) | <input type="checkbox"/> Leaf Marque |
| <input type="checkbox"/> WFTO (World Fair Trade Organisation) Guarantee Scheme | <input type="checkbox"/> Fairly traded in-store own brands |
| <input type="checkbox"/> Rainforest Alliance/ UTZ | <input type="checkbox"/> Non-certified but fairly traded direct imports (e.g. Just Trading Scotland rice) |
| <input type="checkbox"/> Cocoa Life (Mondolez) | |
| <input type="checkbox"/> Other (please specify) | |

Copy of Fair Trade Campaigner survey

Your role in campaigning for fair trade

A few questions about your campaigning role and any support you think might help you in these activities.

10. What do you consider to be the main roles that you fulfill as a fair trade campaigner?

- Raising awareness of fair trade in your area/ sector
- Fundamentally influencing changes to the way trade works
- Promoting the purchase of fair trade products
- Influencing suppliers/ retailers to stock fair trade goods
- Other (please specify)

*** 11. What activities do these roles result in you being involved with?**

Please tick all that apply

- Organising promotional FT events (e.g. during FT Fortnight)
- Raising awareness of fair trade in primary and secondary (high) schools
- Promoting adoption by commercial businesses or third sector organisations
- Promoting fair trade in universities or colleges
- Campaigning for fair trade procurement by public agencies (e.g. NHS, local authorities)
- Auditing fair trade products available/ used in your local area/ organisation, in order to achieve 'fair trade status'
- Lobbying at local authority /regional/ national level
- Increasing sales to benefit producers
- Other (please specify)

12. If you ticked, 'increasing fair trade sales' please tell us which of the following activities this involves:

Please tick all that apply

- Raising FT awareness through local media/ as a speaker at events/ community groups
- Promoting FT products in major supermarkets (e.g. during FT Fortnight)
- Selling FT products (at a stall or as a retailer/ supplier yourself)
- Other (please specify)

*** 13. To what extent do you/ your group consider the following factors as challenges in your efforts to promote fair trade?**

	Major challenge	A bit of a challenge	No challenge - we've got it covered	N/A
Local authority not engaged	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No new volunteers coming forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Too few existing (and tired!) volunteers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time commitment involved with auditing required for FT town/school et. status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No digital/ social media skills to aid promotion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
People perceive 'fair trade' to be 'done and dusted' (no more to do)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
People perceive 'fair trade' as outdated and older concept, compared to climate change etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. What additional support (over and above the help you already receive from Scottish Fair Trade Forum) would help you in fulfilling your role more effectively?

Tick all that apply

- | | |
|--|---|
| <input type="checkbox"/> Event management | <input type="checkbox"/> Social media training |
| <input type="checkbox"/> Financial support (project specific) | <input type="checkbox"/> Connecting you with other stakeholder groups/ campaigners locally as a 'hub' |
| <input type="checkbox"/> Speaker training | <input type="checkbox"/> Help in recruiting volunteer campaigners locally |
| <input type="checkbox"/> Social media promotion on your behalf | |
| <input type="checkbox"/> Other (please specify) | |

*** 15. Do you sell fair trade products yourself?**

If NO, go to page 4 of the survey

- Yes
- No

16. At which venues/events do you sell fair trade products?

- Regular local faith group meetings To friends in my home
 Community events Regular farmers' markets /commercial events
 Festivals

Other (please specify)

17. Please tell us the total value of products you think you sold in the last year (to the least £100).

18. Where do you source your suppliers from?

Please tick all that apply

- Traidcraft
 Wholesale distributor (eg. Green City)
 Direct from importer
 Local fair trade shop (sale or return)
 Oxfam
 Other (please specify)

Copy of Fair Trade Campaigner survey

You and the fair trade consumer

We would like to know more about your views on consumer perceptions of fair trade and how sales might be increased in the light of these.

19. What do you perceive the level of general consumer awareness of fair trade to be in Scotland?

Please select one option from the drop down list

20. To what extent do you think each of the following actions could help improve consumer awareness of fair trade?

	Vital help	Quite helpful	Would make no difference
More advertising focused on fair trade principles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make better use of Scotland's Fair Trade Nation Status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fair trade education in schools is embedded within the curriculum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Raising awareness/ pressure on public procurers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More articles in key sector media promoting fair trade in relevant ways to the audience (e.g. education press)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

21. In your experience as a campaigner, which of the following is the MAIN reason people choose NOT to buy fair trade products?

Please select one of the responses in the dropdown menu below.

Other (please specify)

APPENDIX 8

Copy of Fair Trade Campaigner survey

Fair trade marketing and promotion

* 22. To what extent do you regard the following emerging trends as opportunities for increasing sales in fairly traded goods? Please rank the following 4 options, with 1= most significant opportunity and 5= the least important.

- Customer awareness of environmentally friendly and organic products
- Vegetarian and vegan trends
- Fashion revolution/ slow fashion movement
- 'Foodie' trails or initiatives that promote quality and provenance of food goods

* 23. How do you promote fair trade products in your area/ organisation?
Please tick all that apply

- Scottish news press/lifestyle magazines (online/ printed)
- Social media
- Local radio
- Own leafleting/ poster campaigns
- We don't specifically promote fair trade goods
- Stalls at community /faith group events
- Word of mouth - friends, family and colleagues at work
- Other (please specify)

24. What forms of marketing or advertising do you think have proved most effective in increasing support for fair trade locally/regionally?

Please comment below.

25. If you have carried out any **research** relating to fair trade for your group/ area, can you tell us what it involved and whether you would be happy to share your findings this with us for the purpose of the review's findings?

26. What is your target audience for your campaigning in Scotland?

- Local consumer
- visitors to the area
- Public agencies
- Politicians (local and national)
- Other (please specify)

27. What fairly traded products do you think need to be promoted more at national level?

- Food
- Fashion
- Drinks
- Other non-food
- Handicrafts (home)
- Other (please specify)

28. What do you consider to be the most significant barriers to increase fair trade sales in Scotland?

- | | | | |
|--------------------------|--------------------------|--|------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Rapid changes in consumer trends for fashion and healthy eating | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | <input type="checkbox"/> | Difficulty in finding suppliers | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | <input type="checkbox"/> | loss of value of the £ | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | <input type="checkbox"/> | Brexit: impacts on importers | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | <input type="checkbox"/> | Balancing existing successful products with the need to introduce new ones | <input type="checkbox"/> N/A |

Copy of Fair Trade Campaigner survey

AND FINALLYCo-operation with other fair trade groups

29. Please tell us about any working relationship you/your group has with other local/ regional fair trade or like-minded groups (e.g. fair trade towns, schools and Development Education Centres, Co-operative community pioneer etc).

30. If you don't currently have any connections with other groupings what are the reasons for this?

- Don't know who they are
- Not convinced there would be any benefit
- Not enough time to engage

Other (please specify)

31. If you would be happy to be contacted for further information and your views as part of this review, please provide your preferred contact detailed below.

We will only use your contact information for the purposes of this review and not pass on to any third parties.

Name	<input type="text"/>
Company	<input type="text"/>
Address	<input type="text"/>
Address 2	<input type="text"/>
City/Town	<input type="text"/>
ZIP/Postal Code	<input type="text"/>
Country	<input type="text"/>
Email Address	<input type="text"/>
Phone Number	<input type="text"/>

Fair Trade Supplier and Retailer survey

About your company or organisation

Thank you for participating in this Scottish Government commissioned review of fair trade sales promotion in Scotland. The survey should take a maximum of 15 minutes to complete.

All responses will be anonymised and aggregated and no individual company identified in our analysis of responses, unless you wish us to do so.

*** 1. How would you describe your company/ social enterprise?**

Please tick as many as apply

- | | |
|---|---|
| <input type="checkbox"/> Retailer: the majority of the products we sell are fair trade | <input type="checkbox"/> Importer of fairly traded commodities |
| <input type="checkbox"/> Retailer: a minority of the products we sell are fair trade | <input type="checkbox"/> Food service provider using fair trade produce |
| <input type="checkbox"/> Wholesaler/ distributor: supplying only fair trade goods to the retail market/ direct to consumers | <input type="checkbox"/> A Fair Trade Organisation |

*** 2. Where is your company/ organisation based?**

- | | |
|--|--|
| <input type="radio"/> Scotland | <input type="radio"/> Northern Ireland |
| <input type="radio"/> England | <input type="radio"/> Europe |
| <input type="radio"/> Wales | |
| <input type="radio"/> Other (please specify) | |

*** 3. What's the legal structure of your company?**

you may be more than one of the following:

- | |
|--|
| <input type="checkbox"/> PLC |
| <input type="checkbox"/> Ltd Company |
| <input type="checkbox"/> Co-operative |
| <input type="checkbox"/> Charity |
| <input type="checkbox"/> Social enterprise (with a social mission) |
| <input type="checkbox"/> Other (please specify) |

Fair Trade Supplier and Retailer survey

Sales of fair trade products

We would like to know more about what, how much and where you sell your fair trade goods.

*** 4. Which of the following ethically branded products do you retail or supply?**

Please tick as many as apply.

- | | |
|--|---|
| <input type="checkbox"/> Fairtrade Mark (registered certification from the FairTrade Labelling Organisation) | <input type="checkbox"/> Leaf Marque |
| <input type="checkbox"/> WFTO (World Fair Trade Organisation) Guarantee Scheme | <input type="checkbox"/> Fairly traded in-store own brands |
| <input type="checkbox"/> Rainforest Alliance/ UTZ | <input type="checkbox"/> Non-certified but fairly traded direct imports (e.g. Just Trading Scotland rice) |
| <input type="checkbox"/> Cocoa Life (Mondolez) | |
| <input type="checkbox"/> Other (please specify) | |

5. Please indicate, to the nearest £10,000, the total value of your fair trade good sales across the UK in your last reported financial year?

Skip to next question if you are unable to answer

6. What % proportion of these sales are to the Scotland market?

*** 7. By what percentage (%) do you project fair trade sales to grow in the next 2 years?**

0 50 100

8. Which of the following fairly traded product categories do you retail/supply? please tick all that apply

- | | |
|---|---|
| <input type="checkbox"/> Hot beverages (tea /coffee etc). | <input type="checkbox"/> Flowers |
| <input type="checkbox"/> Wine | <input type="checkbox"/> Handicrafts |
| <input type="checkbox"/> Chocolate | <input type="checkbox"/> Other non-food |
| <input type="checkbox"/> Other food | |
| <input type="checkbox"/> Other (please specify) | |

* 9. Which commodity group has seen the greatest growth in sales, from your perspective, in the last 2 years? Please state below

* 10. Over the next 2 years, would you say that over the next 2 years your company will:

- plan to increase the range of products you supply/retail
- keep the product range you currently have
- decrease the number of fairly traded products you supply/ retail?

* 11. Thinking about your fair trade sales performance, please tell us which of the following factors influence your decision to increase/decrease your fairly traded product ranges?

Please indicate the importance of each of following factors where 1 = extremely important influence

	Extremely important	2	3	4	5 not at all important
Difficulty in sourcing suppliers	<input type="radio"/>				
Rapid changes in retail trends e.g. fashion and healthy eating	<input type="radio"/>				
Profit margin of individual products	<input type="radio"/>				
Shelf life	<input type="radio"/>				
Balancing product mix between existing and new	<input type="radio"/>				

Other (please specify)

* 12. Do you directly retail fair trade goods to the consumer?

- Yes
- No

13. As a retailer, what percentage (%) of your fair trade goods range are retailed online?

0 50 100

14. As an online retailer of fair trade goods, to what extent would you say online retail sales have increased your overall fair trade sales turnover?

- Major increase (over 50%) No increase
- Increased somewhat (up to 25%) Not relevant
- Minor increase

15. What government/ public agency support, if any, do you think might assist you to increase your fair trade offer successfully?

Please tick all that apply

- Business development support
- Specific IT/ technical advice on online trading
- Website development advice
- Other (please specify)

Fair Trade Supplier and Retailer survey

Supply Chains

Just a couple of questions on your experience with supply chains

16. Thinking about the constraints you experience relating to your supply chains, which of the following affect your business, where 1 is the most important ?

	1 extremely important	2 quite important	4 not important at all	Not relevant
Seasonality of goods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crop failure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of adequate distribution networks in Scotland	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduced product ranges available from supplier/producer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confusion due to changes in branding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

* 17. Please tell us if any of the following would help you improve your fair trade sales in terms of supply

- Business finance, including short term credit loans
- Improving links and better communications with suppliers
- Governmental level support for importers of fair trade goods
- Other (please specify)

Fair Trade Supplier and Retailer survey

You and the fair trade consumer

We would like to know more about how you respond to consumer trends and market your fair trade offer in Scotland.

* 18. To what extent do you regard the following emerging consumer trends as opportunities for increasing sales in fairly traded goods? Please rank the following 4 options 1,2,3 and 4, with 1 = most significant opportunity and 4 = the least important.

- Environmentally friendly and organic products
- Eco-friendly packaging
- Vegetarian and vegan trends
- Fashion revolution/ slow fashion movement

* 19. How does your company/organisation market your fairly traded product offering in Scotland?

Please tick all that apply

- Scottish news press/lifestyle magazines (online/printed)
- Social media
- Local radio
- TV campaigns
- Own leafleting campaigns
- We don't specifically promote fair trade goods
- Through our distributor publicity
- Other (please specify)

20. AND FINALLY.....

Based on your experience, which methods have you found most successful in the promotion and sale of your fair trade offer?

	Vital	Quite important	Not at all important
Offer a wide range of FT products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Informed buyers/ consumers of FT products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Having a choice of outlets (including online)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High levels of customer engagement/ customer loyalty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Engagement with other FT stakeholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sound business advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commercial business practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

21. Please use this text box to add any additional comments you would like to make on retailing and supplying fair trade products to the Scottish market

22. If you would be happy to be contacted for further information and your views as part of this review, please provide your preferred contact detailed below.

We will only use your contact information for the purposes of this review and not pass on to any third parties.

Name	<input type="text"/>
Company	<input type="text"/>
Address	<input type="text"/>
Address 2	<input type="text"/>
City/Town	<input type="text"/>
ZIP/Postal Code	<input type="text"/>
Country	<input type="text"/>
Email Address	<input type="text"/>
Phone Number	<input type="text"/>



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