Helping the World, One Purchase at a Time

With today’s global, industrialized market, the search for cheap labor by large companies is becoming more and more common. Foreign, third world countries, providing the cheapest labor, are becoming increasingly commonplace for unfair treatment and exploitation of lower class workers. The fair trade movement attempts to address these issues in small foreign producers through the payment of a “fair price” for their goods (Ronchi). Although fair trade is overwhelmingly synonymous with the fair treatment of workers, the side effects of fair trade benefit the workers with other aspects of their lives (Ronchi). Reduction of poverty and violence in foreign countries are the two most important ways. By encouraging fair treatment for workers and supporting those small producers that do treat workers fairly. Fair trade producers give their workers the necessary tools to properly do their job and increased pay. Fair trade has positive effects on foreign countries by decreasing poverty rates. This leads to less need for thievery, and violence in foreign countries. This research paper will be searching through these topics with the question, what are the benefits a country may realize in accepting fair trade guidelines, concentrating on Ethiopia, Africa and coffee farmers.

The world began to see the ideas of fair trade enacted during the 1940s and 1950s by religious activist groups. What we consider the “fair trade”
movement today didn't start to gain momentum until the 1960s (WFTO). It started as a response to the increased globalization of the world that we know today. More specifically, it started with multiple student movements against the large corporations of the days and their “Trade Not Aid” motives (WFTO). The students started multiple campaigns, strikes and demonstrations outside of large corporations and other businesses that were reported to not treat their workers in foreign countries fairly. In the following decades fair trade became a much more important topic amongst businesses and international affairs (WFTO). Finally, in the 1980s-1990s, multiple different fair trade groups (such as the FLO [FairTrade Labeling Organization] offered a way for consumers and businesses a way to tell what products are the product of fair treatment and prices, through stickers and achievements), oriented towards providing the set standards that a business needed to follow in order to be considered as a fair trade business (WFTO).

Other types of organizations started to emerge at the same time, but did not become as popular because they did not associate themselves with large corporations and fair treatment, but instead oriented themselves toward providing better prices for smaller farmers who concentrated on agriculture (WFTO). These types of organizations are what farmers, such as those of Ethiopia, benefit from the most.

The process in which coffee farmers sell to fair trade organizations is not a simple one. Most countries’ coffee farmers band together in co-operatives (co-op for short), which means that they all combine the coffee they harvest then sell it
and split the profits. To explain the process in simplified terms, coffee farmers attempt to sell as much of their coffee to fair trade organizations as they can. What coffee they can’t sell to fair trade (because fair trade organizations can only buy what they can sell to consumers) is then sold on the world market to buyers that pay sub-prime prices for the same quality coffee. Since not all co-ops have access to fair trade buyers, they are forced to sell all of their coffee to companies that pay the sub-prime prices. This causes most coffee farmers only to get enough money to plant the next season’s coffee, and not actually enough to pay for essential needs such as clothes, food and water for themselves and their families (Cycon).

In the early 1980’s a series of famines hit the country of Ethiopia, which had drastic effects on nearly 8 million people and killed around 1 million (Buerk). It was the worst famine in human history (Buerk). Ethiopia went 4 years without rainfall of any kind (Buerk). This caused all agriculture and localized food of any kind to die. At the same time there were multiple military conflicts occurring across the country. The Oromo Liberation Front, a group that was trying to fight against an “Abyssinian colonial rule,” was the cause of one of these wars in the south (Bureau of African Affairs). Many other rebel groups were fighting across the country, creating the need for the government to increasingly spend more money on military and less money on relief efforts. Many people during this time fled to the capital of Ethiopia, Korem (Buerk). In Korem alone, a child or adult would die every 20 minutes (Buerk). 1 out of 3 children where considered
malnourished (Buerk). This massive famine only left Ethiopia in a state of depression that still affects the people in Ethiopia today. Leaving the people of Ethiopia in great depression and in extensive need.

When the price of coffee on the world market was reduced to 50 cents per pound in 2002, this only made matters worse, causing the majority of the population to become malnourished and caused increased debt for farmers. Agriculture makes up for 60% of all exports from Ethiopia and 80% of total employment comes from agriculture (CIA). For those farmers who sold their coffee to fair trade organizations, on the other hand, life was bearable with a mere $1.26 per pound, a reasonable amount that a farmer in Ethiopia could live on (Global Exchange). With the extra funds that fair trade offered to the farmers of Ethiopia, many communities decided to help develop their community through constructing various public needed buildings. “...They (The Farmers) have made the decision to pool their fair trade premiums instead of disbursing them. They have built the first school in the area (Cycon 19).” The fair trade farmers in Aware, Ethiopia decided to pool their profits from fair trade prices and create the first school in Aware or any nearby towns. “New elementary schools had been built by the farmers from fair trade premiums in Negele Gorbitu and Ilili Darartu, and a new health clinic in the former (Cycon 19).” Various other parts of Ethiopia have done similar things, creating public buildings that their area needs the most, with the profits that they gain from fair trade that they would not have recieved through selling their coffee on the normal market.
Fair trade attempts to solve the problems that small producing farmers face in today's market, by promoting healthy living and basic essentials that the farmers need to continue to live and work through increased prices.

“Fair trade guarantees a minimum of $1.26/pound (a living wage) and access to credit at fair prices to poor farmers organized in cooperatives. These fair payments are invested in food, shelter, health care, education, environmental stewardship, and economic independence. Fair trade promotes socially and environmentally sustainable techniques and long term relationships between producers, traders and consumers (WFTO).”

What fair trade has offered to the people of Africa is only the beginning of the solution to the problem. It is only the first step to offering these same services across the world, to all the countries in need of a supportive hand and a voice. Fair trade also allows the consumers and business know which exactly where their products came from, allowing greater easy of mind when buying products.

Fair trade has positive effects on foreign countries by decreasing poverty rates and by reducing poverty. Fair trade also reduces violence and death. Fair trade can help the world’s population that is trying to work hard, but is being pushed down and forgotten. All the world needs to do is realize that these people deserve a fair and equal pay for their services and that it can benefit them considerably. Organizations such as the FLO can only let the consumer know which products are fair, but only the consumer can make the decision to make a difference.
Works Cited


