

Adrianna Czarnecka*

DEVELOPMENT OF FAIR TRADE IDEAS

ABSTRACT

The topic of the work below is the development of fair trade ideas over the years. By analyzing reports, websites, and newspaper reports, I have been able to compare the work of fair trade organizations. The social movement has transformed the activity into fully professional non-governmental organizations. However, the international and international institutions have become increasingly popular. The development of the concept has a significant impact on the quality of life of people in developing countries. Through the promotion of promotional and educational campaigns, the awareness of both consumers and small producers who are able to create their own networks increases. Idea Fair Trade turned out to be hope for the fight against poverty, disproportions in the world. Through trade we are able to support developing countries. The emergence of international organizations allows for the control of these processes, as well as the development of concept and control of activities. The aim of the article is to show the proces of developing and giving the idea of fair trade.

Keywords: Fair Trade, civic movement, Word shops, WFTO, IFAT, developing countries, education, trade

1. INTRODUCTION

Second World War brought the division of the world not only for political but also economic reasons. Economic divisions are even more marked. The international environment has focused on the most deprived countries during the war, but no one has wondered what the consequences must be for the countries and communities buried in poverty before the war. Marginalization of the theme of poverty and poverty has led to a deepening of the disparity between continents. The aid was returned to the countries directly involved in warfare. An unofficial solution fortified in the 1960s. The concept of Fair Trade emerged. It is an organized social movement whose main purpose is to promote honest commercial practices. We can speak of the emergence of a model within the motion of a business that implies a fair sharing of the benefits of trade between producers, traders and consumers. The greatest con-

* Nicolaus Copernicus University in Toruń, e-mail: adrianna.czarnecka93@gmail.com.

centration occurs in the relation of the manufacturer to the manufacturer. As is well known in the least developed countries, there was a major problem with such a fair distribution.

Still, the mentality of some nations remained the fact of colonialism. Therefore unequal treatment was not a problem. Farmers from developing countries were still uneducated and unaware of their rights. For them, they only counted profit regardless of the amount. The Powers took advantage of the situation. By lowering prices, more international corporations earned money. However, this problem was noticed. Initially, the focus was not on governments or companies but on citizens.

The Fair Trade movement is a unified organization operating all over the world, of different character. The most common are producer organizations, trade organizations, certification bodies (granting certificates to various products), Fair Trade stores, commercial companies, religious communities. These organizations create social campaigns and actions to raise awareness of trafficking in underdeveloped countries. Through educational campaigns, they teach the principles and practices of international trade.

This article discusses the main idea of the founding of the Fair Trade movement and presents its evaluation on the basis of documents, articles and reports.

2. HISTORY OF FAIR TRAFE IDEA

The origins of the Fair Trade concept are unclear and there are many theories where we started the movement. Many Facts indicate that the United States was an unknowing initiator. In 1946, ten thousand towns began to buy and bring hand-made products from Puerto Rico. They started trading with the poor countries of the South. It has been discussed how to distribute these products to reach a wider audience. One of the best solutions was to open a Fair Trade shop. In the United States, the first such store began operations in 1958.

It is worth to pay attention to Europe. Here it was time to get this idea and put it into the trade framework. Delay was caused by the dramatic situation of Europe after the war when European countries had to rearrange their economic and economic systems. As a result, the 1950s are a breakthrough. Oxfam UK – international humanitarian organization dedicated to combating world hunger and helping the developing world. In 2002, the Confederacy comprised 12 organizations (www.oxfam.com), began selling products manufactured by Chinese refugees. Oxfam opened in the UK shops where these handicrafts were made and sold. It is widely acknowledged that in 1964 the first Fair Trade organization in Europe was founded. The growing idea of Fair Trade began to spread to other countries. In similar years the beginning of the movement can be seen in the Netherlands. Dutch organizations started to import and sell cane sugar. The campaign, whose main theme was „buying cane sugar, gives people in poor countries a place in the sun of prosperity” (Litvinoff & Madeley, 2007, p.44). They also started to sell handicrafts, and the growing and expanding range of products prompted organizations to open a shop called „The Third World.” Another idea was to create a fair. It has been a time to think about how to develop even more movement.

Action in the United States and in Europe began to reach poorer countries or in the 1960s and 1970s less developed. NGOs and even activists in Asia, Africa and Latin America have begun to see the need to create units that handle small business marketing or individual manufacturers. Established organizations were also supposed to conduct advisory activities and even bring help to less experienced manufacturers. There are a number of organizations

that have been involved in this activity, with a number of collaborations with organizations from the north. These relationships were based on partnership, dialogue, transparency and respect. The aim was to increase participation in international trade.

Civic movements proved valuable for the development of Fair Trade. The result of their activity was increased concentration and activation of the governments of the underdeveloped countries and the international environment. Fair Trade was one of the topics taken at the United Nations International Forum on Trade and Development (UNCTAD). The summit was held in Dehli in 1968, where it was decided to give the message „Trade not Aid” – „Trade rather than Aid” (Puri, 2009, p.5). This policy was considered more effective than existing aid. In the early days, this form was called the Alternative Hand, and later it was evaluated on the Fair Trade that we are currently using, and the development of alternative trade was also linked to the movement of political solidarity. The reasons for such exclusions were political reasons, such as Vietnam, Mozambique, Cuba and Nicaragua, with the exception of the Alternative Trade Organisations (ATOs). To work in a fair trade organization that aims to „contribute to poverty alleviation in developing regions of the world by establishing a trading system that enables marginalized producers in developing regions to access developed markets” (Krier, 2001, p.10).

Since the late sixties, increased interest in alternative trade was primarily related to the development of trade. Growth was a response to poverty, and sometimes to natural disasters in the south. The activity focused on the marketing of craft products. Non-governmental organizations, working with counterparts from southern countries, helped to create the Southern Fair of Righteous Organizations, which cooperated with producers, provided social services to producers and exported products to the North.

Idea Fair Trade has been a lifesaver for many women’s families. Handicrafts at the beginning of this project were the basis on which all the assumptions were based. By importing products made by women they were allowed extra income. In underdeveloped countries women have a low position in society. Problems with finding a job are common, therefore, the sale of „world shops” in addition to the development of trade has contributed to strengthening the position of women and children in the hierarchy of assisted countries.

Breakthrough product turned out to be coffee. In 1973, the Dutch organization „Fair Trade Orginal” began to download congressional coffee (Kohler, 2006). By working with a small co-operative, Guatemalan farmers have managed to bring this product to the European market. The whole project was developed in a way that no one could foresee. Nowadays, in Fair Trade, coffee has ceased to be just a downloaded and sold product, and has become a concept. This has benefited a large group of farmers. In Europe, Fair Trade coffee has become a popular choice for many consumers. Currently, this product contains between 25 and 50% of the Northern Fair Trade turnover. After the success of coffee, many honest trade organizations have expanded their range of foods and started selling products like tea, cocoa, sugar, wine, fruit juices, nuts, rice and spices. Consumers have welcomed these products like coffee. Food products enable fair trade organizations to open up new markets such as institutional markets, supermarkets and jewelry stores. In addition to these foods, other non-food products such as flowers and cotton have been added to the Fair Trade assortment (Makulski, 2013).

The success of the idea allowed us to formalize certain issues. Initially, we did not focus on the future of Fair Trade. After several decades we are able to define the goals and principles that Fair Trade should be guided by now.

3. EDUCATION, AWARENESS AND NETWORKING

The early social movement contributed to increasing consumer awareness of fair trade but also the imbalance of power in trade structures. Their actions have contributed to changing trade policy in a way that is equal to everyone. The success of the campaigns led to the Fair Trade store/outlet. One of the most effective ideas to encourage consumers to participate in the campaign turned out to be publishing on the packaging of the manufacturer's history. This allowed us to know the real situation and where the product came from. Identifying the tragedy of people living in underdeveloped countries has proved to be an important part of the campaign. For further development, it was necessary to create a place where it would be possible to exchange experiences and work on new assumptions. In response to the organization's need in 1984, the first „European World Shops” conference was held. The conference was attended by volunteers working in such units who could start cooperation between such stores across Europe. This has resulted in the emergence of collaborative networks. In 1994, it was decided to formalize volunteer activities and link existing networks. The European Store Network has been created (NEWS!). They coordinate European promotional campaigns and exchange information and experience on sales development and awareness raising. This activity was appreciated and in 1996 they managed to establish the European Day of the World Trade Fair. This day always has a subject that is currently being discussed in the international arena. The whole project was so evolved that the European event was transformed into a world event. Every year the same date is celebrated by the trade-related environment.

Although initially the social initiative was not fully developed over the years, it has managed to transform the activities into professional and refined by a number of specialists. Educational organizations have begun work on materials, documents, and the promotion of fair trade. An important element in the development of this idea was the establishment of a FINE consultancy in Brussels. Its task is to influence policy makers. Office supported by networked organizations. It is important to note that its activities are also financed through the whole movement. Such an engagement in the fight against poverty was the biggest problem among the peoples and was appreciated and appreciated by the European institutions. Many countries have supported the initiatives they have undertaken in creating and pursuing sustainable development policies. Raising consumer awareness has become the most important goal of traffic. The work put in place allowed us to develop the whole idea. Starting with small social movements, it was noticed even in the European Parliament. For several years, three resolutions on fair trade have been adopted. In addition, ministers from many European countries formally endorsed Fair Trade. Successful implementation of rules of trade in public places and institutions. Although the cost of such products is slightly higher, public institutions have introduced trade rules for public procurement. Thanks to the development of the whole project, many cities, universities and public institutions have declared themselves to promote such a form of trade. Increasingly, developing country authorities officially promote fair trade. Being aware of the beneficial effects of such action must sign up for such a form of trade. The fight against marginalization of small producers is most important. This

allows for decent living for those who have a significant influence on the trade of these countries. Unfortunately, in some cases it is important to reflect on the effectiveness of the actions taken by politicians in developing countries. It is also possible to break a certain stereotype. Internationally, in the sixties, it was a matter of acknowledging that there were divisions between trading conditions. Accepting to agree on poorer terms of transactions in „third world” countries was unacceptable and was in outrage. Now that idea has become so valuable that Fair Trade is the subject of many international peaks of both politicians and academics.

3.1. NETWORKING AND CO-OPERATIVES AS A COHESIVE SOCIETY

Since the mid-1970s, Fair Trade organizations around the world began to meet regularly informally at conferences. Up until the mid-eighties, there was a desire to form more formal and two organizations were established by the end of the decade. The European Fair Trade Association (EFTA), the 11th largest Fair Trade Organization in Europe, was established in 1987, and two years later, the World Fair Trade Organization (WFTO), formerly the International Federation of Trade Fairs (IFAT).

Both trade organizations in the south and north felt the need to establish a global fair trade network to act as a voice for fair trade and a forum for global fair trade. In 1989 WFTO was founded in the Netherlands. WFTO members are very different. They represent a fair trade supply chain, from production to sales, and support organizations such as joint interests that provide financial services and support production.

Networking between fair trade organizations is critical to their success. Networked around the world. Regional networks include the Asian Trade Fair Forum (now WFTO ASIA), Fair Trade Africa (now WFTO Africa and Middle East), Latino Americana de Comercio Justo (now WFTO Latin America) and IFAT Europe (now WFTO Europa). National networks have also grown like the Fair Trade Ecotown Forum in Bangladesh, the Fair Trade Group Nepal, the Fair Trade Association of the Philippines, the Fair Trade Forum India, the Federation of Kenya in Alternative Trade (KEFAT), etc.

FLO (Fairtrade International), IFAT (WFTO), NEWS! And the EFTA started meeting in 1998 and was known by the abbreviation FINE. FINE's goal is to enable these networks and their members to work in important areas of work such as advocacy and campaigning, standards and monitoring of fair trade (Wielechowski, 2012).

Collaboration in small cooperatives will ensure a steady return on a comparable level. The guarantor of this situation is that while participating in Fair Trade they have a guaranteed minimum price that they must obtain for the goods sold. If you see improvement in product quality, prices may be raised. In the case of green products or where the workload is higher the price is adequately higher. The Fair Trade system allows for the creation of premiums. If wholesalers buy goods directly or make a cost share. Why is it very beneficial and poetic? Because members of such a cooperative do not receive such a cash bonus they can decide what development project they want to spend that amount of money on. The fund is targeted at a community for development projects for local communities and its most important needs, especially food needs, health care and education.

Tab. 1. Examples of projects financed with Fair Trade bonuses

Local community	development projects, infrastructures, credit plans, social and humanitarian assistance, support for community institutions: orphanages, nursing homes for old people,
Education	School infrastructure, scholarships, tuition fees, teacher salaries, adult education
Environment	Support organic production, waste management, environmental development Project
Health	Clinics, health insurance, medical reserves, prevention (vaccinations), hygiene Gender equality Programs and projects focusing on the needs of women (eg poor women with children, lonely, uneducated), women's health
Gender equality	Programs and projects focusing on the needs of women (eg poor women with children, lonely, uneducated), women's health
Investments in the development of producer organizations	Investments in the development of farmers' organizations, employees, development of internal control, management, development of organizational infrastructure (eg warehouses, equipment), organizational costs and administration
Investment in production and processing	Starting a business, farm equipment to increase productivity (yields, income), quality and variety of production, business education skills – management training, accounting, marketing
Other use of bonuses	Cash payments and other forms of direct financial or social support for members or employees of a cooperative (organization), others (not applied to any of the above categories)

Source: own on the basis on: (Radziukiewicz, 2013).

Such a system allows to increase the quality of products as well as to identify with the community in which it originates. Creating a community helped to achieve individual success, but also enabled them to work for the benefit of the society. In developing countries this is an important factor, as usually the social and family ties are very strong there. A much bigger motive for action, cooperation and hard work is the fact that the benefits will come closest.

4. FAIR TRADE LABEL

At the beginning of trade in products from developing countries, fair trade organizations played a key role. During the development of the trading system, consumers were able to purchase products in the world's stores and alternative trading salons. In the second half of the eighties, a new way of reaching a wider audience was developed. A priest working with small coffee growers in Mexico and a Dutch NGO co-worker in the church thought of the idea of the Fair Trade label. Coffee purchased, sold or sold in fair trade terms was eligible for a label that would stand out among ordinary coffee on store shelves and would allow not only

fair trade organizations but also Fair Trade merchants. In 1988, the label „Max Havelaar” was created in the Netherlands. The idea of labeling has been adopted in the environment and has begun to reflect on expansion and improvement. Following the example in South America, in many countries, organizations have begun to develop labeling products sold in accordance with Fair Trade goals and principles. Marking Fair Trade has helped to bring mainstream business into line. Currently over two thirds of Fair Trade products are sold in mainstream catering and retail. In parallel with the development of Fair Trade labeling, the International Fair Trade Association (now WFTO) has developed a Fair Trade monitoring system. In order to strengthen their credibility vis-à-vis policy makers, mainstream business and consumers, the IFAT Fair Trade Mark was introduced in January 2004.

Tab. 2. Some of the most important certificates currently issued

	<p>FAIRTRADE CERTIFICATE MARK The Fairtrade International Fairtrade Certification Mark is an independent guarantee of the conformity of a product with the Fairtrade International standards. The sale of certified products improves the working and living conditions of small farmers and wage earners in the poorer countries of the South while contributing to the protection of the environment. Buyers who, through their consumer choices, support Fair Trade, receive products of the highest quality possible. For more information visit www.fairtrade.net.</p>
	<p>NATURLAND FAIR MARK German organic certification system Naturland was completed in 2010 with the social and economic criteria of Fair Trade. Thanks to this, Southern producers are able to confirm both Fair Trade and organic production. The system refers to the „Fair Trade Charter”. For more information visit www.naturland.de.</p>
	<p>ECOCERT FAIR TRADE MARK The French organic certification system was recently added in 2007 to the possibility of verifying product conformity with the Fair Trade standards. Ecocert is one of the world’s leading organic production auditors (operates in more than 80 countries). For more information visit www.ecocert.fr.</p>

Source: Table made by the author of the text on the basis on (Polskie Stowarzyszenie Handlu, 2013).

During the 2011 Mombasa AGM WFTO members decided on a new fair trade system. Following this decision, the WFTO Council was to set up a Working Group on System Design that would pave the way for a product label for Fair Trade. The group consisted of experts in the field of verification and monitoring of Fair Trade. Two years later at the Rio AGM 2013 meeting, the WFTO members approved the new GS (GS) after its presentation by the working group, together with reports and feedback from the pilot organizations that were part of the system tests. GS has five components: an improved submission procedure, self-assessment, peer review, audit audit, and Watch Fair Trade Accountability. The guarantee system uses the WFTO Fair Trade standard for organizations that include sets of compliance

criteria based on the principles of the International Labor Organization and the International Labor Organization. The guarantee system has revolutionized trade verification rules. It is an innovative system that can be used to verify Fair Trade compliance by any type of trade organization, and therefore not related to product-specific features. It has been developed for the different types of commercial organizations at WFTO, given that many small fair organizations produce different products every year, which depend on market needs and trends. Members who have successfully passed the GS process become a guaranteed member and can use the WFTO product label on their products. This is a label for guaranteed fair trade organizations that can be used in products as a guarantee for buyers and consumers that the guaranteed member meets the Fair Trade standards (wto.com).

5. CONCLUSIONS

The concept of Fair Trade has been modified for many years. From small social network traffic on the local network. Organizations dealing with the topic started to create all international associations, spreading their activities around the world. The development of the idea of Fair Trade has continued with the concept of performing official government organizations. Involving a wide open branch with a handgrip for lifting. Promoted promotional campaigns changed consumer awareness. They also allowed the education of people, made them aware of their co-operation, and led to the minimum standards of living in these countries. Products such as coffee have become not only a sign of fair trade but also a concept in itself. It is important not to stop working on this concept. To assume that this is a way to deal with problems, a common problem in some parts of the world.

Thanks to social mobility, the standard of living of migrants has risen. They began to be close to the new environment and their stories became real in the eyes of the inhabitants of developed countries. Educating farmers has allowed them to raise their awareness. They started fighting for their rights and equal position on the market. The campaign began to talk about equality and the rights of women. The co-operative societies have bonded the community by showing that through hard work and cooperation they can achieve more. Despite these positive facts, uncertainty persists. The development of ideas pushed me towards popularization. The corporation began to depend on having a fair trade license, but are farmers still enjoying it?

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