



FAIRTRADE

# Fairtrade: Exploring our impact

A REVIEW OF RESEARCH ON FAIRTRADE  
FROM 2015 - 2020

Gnankou Ferdine Koye is a cocoa farmer and member of ECAKOOG cooperative in Côte d'Ivoire.  
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# Fairtrade is changing the world for the better

Following an independent review of studies on our organization over the past five years, **Fairtrade has compiled the highest-quality evidence of the impact we're helping to drive around the world.**

In the pages that follow we'll present the headline findings of the research: the areas where we're creating impact, summaries of what the review looked at, and the findings that point to where more work is needed.

**In particular, we'll set out the results that show our impact on:**



**Farmers' and workers' income and wellbeing**



**Improving decent work and labour conditions**



**Strengthening democratic organizations for producers**



**Environmental sustainability and adaptation to climate change**



**Raising awareness and commitment to fair, sustainable trade**

At the end of this summary, we'll also discuss our key learnings and talk about what this means for Fairtrade's work going forward.

The complete results of the review, which was carried out by DBG Consulting, can be found at [fairtrade.net/library](https://fairtrade.net/library).

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# Why did Fairtrade commission this review?

We wanted a clear, independent assessment of how Fairtrade creates change.

We commissioned DBG Consulting to carry out a detailed literature review of 151 research studies that relate to the key areas in which we work.

By having external experts conduct a detailed review, our goal was to gain an objective, comprehensive picture of the extent and depth of our impact. We also wanted to learn about the 'gaps' in both our impact and in the research that measures it.

The learnings and recommendations from this review have shaped our new strategy and revised theory of change, both of which will guide the work we do from here on.

This review builds upon the work of a [similar assessment we commissioned](#) for the period 2009 to 2015.

## How was the review conducted?

DBG Consulting employed a rigorous methodology that prioritized 151 qualitative and quantitative evaluative studies. Some of these studies were originally commissioned by Fairtrade itself, but the majority were completely independent.

Specific results from each study were individually mapped to one or more areas from Fairtrade's theory of change. The researchers also rated the quality and applicability of these contributing findings.

This clustering of results according to the areas we aim to influence — such as improved livelihoods, better working conditions, gender equity, and more — helped us to understand the strength of the collective evidence.

Further details of the methodology can be found in the full results publication, which is available at [fairtrade.net/library](https://fairtrade.net/library).



# Increasing incomes, wellbeing and resilience among farmer and worker households

The review shows that Fairtrade's work frequently increases the income of farmer and worker households and improves their quality of life. These improvements include:

- ✦ Increased incomes, household assets and in-kind benefits (social services such as education and health services).
- ✦ Fairer prices for producers.
- ✦ Investments made possible by the Fairtrade Premium.
- ✦ Better access to fair trading conditions.
- ✦ Increased food security (better access to safe, nutritious food).

Some studies suggest that if Fairtrade can amplify its impact upon yields and expand markets for producers to sell on Fairtrade terms, this will lead to even greater gains in income. These are therefore important areas for us to continue to focus on.

## Growing benefits over time

Several studies found that a longer or deeper engagement with Fairtrade (e.g. the length of time that has passed since certification) correlates with a stronger gain in farmer income.

Over time, Fairtrade certification can mean more development support for a producer organization, and also a growth in trade relationships. These in turn can gradually improve yield and sales, contributing to income.

## Where can we still improve?

While there is evidence that Fairtrade supports farmers and workers in increasing their income and buying household necessities, there's less evidence to suggest that farmers are consistently able to move out of poverty. It's possible that improvements aren't sufficient for farmers, especially those living far below the poverty line; alternatively, the evaluations themselves may not be of sufficient duration to record these effects over time.

A majority of studies that looked at food and nutrition found that Fairtrade had a positive effect on farmers. There was less evidence of improvement for food security among worker households.

The review found evidence of Fairtrade's impact on plantation workers' wellbeing through in-kind benefits. However, the available research points to inconsistent benefits in regards to income effects for plantation workers. Several factors outside of Fairtrade's area of influence can impact changes in wages.

## What did the review look at?

63 studies covering 30 countries.

Across all evaluative studies 57% of results demonstrated consistent evidence of Fairtrade's impact and 25% demonstrated mixed evidence.

Single-country studies focussed on **Ghana, India, Kenya, Uganda and Peru**.

Majority of studies focussed on **coffee, cocoa, tea, bananas and flowers**.



# Improving decent work including labour conditions and workers' voice & dignity

The review found high-quality evidence supporting Fairtrade's impact on a range of outcomes for labour conditions and decent work — particularly for working conditions that have a shorter timeframe to implement, and are easier to assess.

## Better working conditions and benefits

Studies showed that at large farms certified by Fairtrade as hired labour organizations, workers tend to have better physical spaces, paid overtime, adequate breaks and better health and safety protections. The review found that contracts — including some payment features, such as paid overtime — are stronger in Fairtrade certified organizations. Studies also found positive results for in-kind benefits, such as health services and education funds.

## Greater representation and voice and dignity of workers

The review found that 'voice and dignity' related indicators such as bargaining, representation, positive relationships, and workers' rights are stronger in Fairtrade certified organizations.

The existing evidence is encouraging about Fairtrade's contribution to workers' ability to advocate for better conditions. More research is needed in the area of workers' voice and dignity because of the challenges of measuring longer-term effects such as representation within the employers' structures and ability to bargain.

## Higher worker satisfaction

Several studies variously reported higher job satisfaction among workers at Fairtrade certified organizations, and a positive commitment to their working environment. There is also some evidence for workers having a sense of ownership in their work.

## Where can we still improve?

The review finds that Fairtrade has a less direct effect on workers' wages. Research suggests that in the longer term, Fairtrade's efforts to improve representation may help to empower workers and increase wages. However, at present these outcomes are more strongly influenced by external factors, such as the regulatory environment in which they exist. More work is needed to understand how Fairtrade can more effectively influence wages.

## What did the review look at?

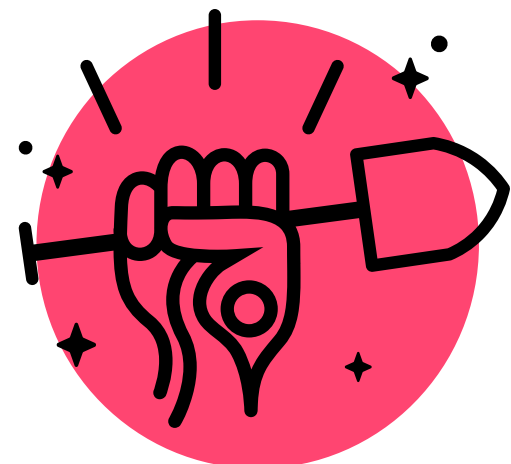
**26** studies on decent work, of which **43%** had results that were consistently positive and **37%** were mixed.

**14** studies on workers' voice and dignity, of which **46%** found supportive results and **38%** found mixed evidence of effects.

Studies covered **22** countries.

Most commonly studied countries are **India, Ghana, Kenya, Peru and Ecuador**.

Majority of studies focussed on **tea, coffee, flowers, bananas and cocoa**.



# Building stronger, well-managed democratic organizations for small-scale producers

Researchers looked at a broad array of indicators related to management capacity, governance, representation, participation and trust of members in their cooperative.

## Better management

The review consistently shows that Fairtrade producer organizations have better management, better systems and financial capacity than non-certified producers.

## Democratic governance and decision-making

Democratic decision-making is central to farmers having a voice as members of their producer organizations, and therefore in building stronger trade relationships.

Studies found mixed evidence when looking at Fairtrade's impact on democratic governance and collective action, and on equity in the distribution of benefits. The success of impact in these areas often depends upon pre-existing attributes of small-scale producer organizations, such as their size. However, one study of coffee farmers in Kenya found a positive link between Fairtrade training and improved governance and transparency within producer organizations, as well as better outcomes for farmers.

## Positive perception of benefits

Several studies sought out farmer perspectives. These indicate that the perceived benefits of working with Fairtrade are high for farmers as well as staff at producer organizations.

## Where can we still improve?

The review found mixed evidence when examining Fairtrade's impact on gender representation. While a majority of relevant studies showed some effect in increasing women's participation in their cooperatives, evidence of deeper changes in gender equity is limited. Here the socio-normative context of each organization — and especially, of the country in which it is based — appears to have a greater influence.

## What did the review look at?

**21** studies covering **19** countries.

Across all evaluative results mapped, **59%** found consistent evidence of positive effects, **18%** found mixed evidence.

Most commonly studied countries are **Kenya, Peru and India**.

Majority of studies focussed on **coffee, cocoa, tea, bananas and cotton**.



# Contributing to greater environmental sustainability and adaptation to climate change.

The research looked into aspects of environmentally friendly farming practices, including organic co-certification, and Fairtrade's impact on environmental sustainability.

## Improved farming practices

Fairtrade's environmental requirements have positive effects on farming practices. Studies show increased awareness of alternative environmentally friendly resources such as natural fertilizers, but there is not enough evidence to determine if awareness is translating into use. Similarly, research to date has focussed more on the adoption of specific farming practices, and less on their eventual environmental effects.

## Organic production

Studies show dual Fairtrade and organic certification is associated with increased use of environmentally friendly farming methods.

From an economic standpoint, organic production can result in lower crop yields, whereas conventional Fairtrade certification tends to lead to increased crop yields. In general, more research is needed into the apparent trade-offs between economic and environmental outcomes, and how voluntary sustainability standards can better optimize both.

## Environmental sustainability

The review included studies that looked at specific environmental effects such as fresh water conservation, biodiversity, and forestry, as well as pesticides and environmental toxins. The available findings in these areas are encouraging but research should be expanded to explore more specific results.

## Adaptation and resilience to climate change

Fairtrade certified producer organizations invest resources to adapt to climate change, including conducting risk assessments, and implementing soil conservation and reforestation practices.

One study suggests that Fairtrade's effects on adaptation stem from increased income and stronger cooperatives. There were no studies that directly evaluated producers' resilience to climate change (meaning the ability to preserve livelihoods despite climate change-related challenges).

## Where can we still improve?

Research should further explore the measurement of environmental conditions, farmers' climate adaptation measures, and resulting climate resilience.

## What did the review look at?

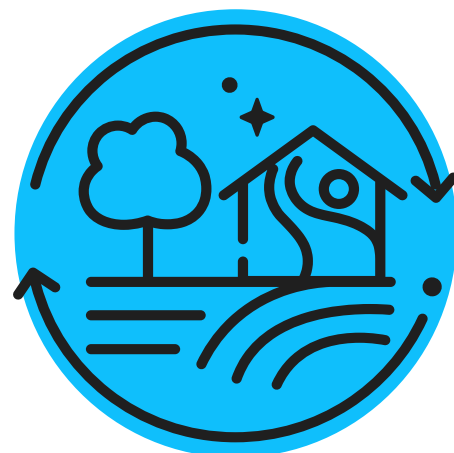
**29** studies on improved farming practices and adaptation to climate change, of which **50%** found consistent supportive findings and **27%** found mixed results.

**16** studies on environmental sustainability, of which **55%** found consistent supportive evidence, **27%** found mixed evidence.

Studies covered **29** countries.

Most commonly studied countries are **Kenya, India, Ethiopia, and Indonesia**.

Majority of studies focussed on **coffee, cocoa, bananas, tea and cotton**.





# Raising consumer awareness and commitment to fair and sustainable trade

The majority of research available in this area looked at consumer attributes; very few external studies examined business and policy-maker awareness and commitment to fair trade.

## Positive effect on consumers

The review found consistent evidence that the Fairtrade brand positively influences consumers. Specifically, the Fairtrade brand raises consumer:

- ✦ Awareness
- ✦ Trust
- ✦ Purchase intention

## Driving purchasing behaviour

In addition to evidence of purchase intention and willingness to pay more for Fairtrade labelled products, studies showed that the Fairtrade brand also positively influences shoppers' actual purchasing behaviour.

## Advocacy and supply chain development

Results of one study looking at influence on business leaders and policy makers were encouraging, indicating that Fairtrade contributes to acceptance of fair and sustainable trade, through lobbying, development of supply chains and public awareness. Elsewhere, the review found little evidence of more widespread change to global trade structures, although some studies pointed to increased participation of Fairtrade producer organizations in markets.

## Where can we still improve?

There is need for more research into Fairtrade's impact in influencing business and policy groups towards fair and sustainable trade actions.

Increasing visibility of Fairtrade products and communication about certification are critical so that consumers can understand the benefits of Fairtrade and can know where to buy Fairtrade products.

## What did the review look at?

**18** studies covering **12** countries.

All evaluative studies demonstrated consistent positive evidence of Fairtrade's effects.

Most commonly studied countries are the **USA, Germany, UK and the Netherlands**.

Majority of studies focussed on **cotton, coffee, tea and cocoa**.



# Key learnings and recommendations

## **Fairer global trade requires sharing information, risk and rewards more equitably.**

The review found limited evidence for areas that deal with making trade fair beyond Fairtrade supply chains. Fairtrade's role in this outcome is contributory and progress is likely to be gradual, with public policy increasingly important. More work is still needed to change power balances between upstream and downstream actors in supply chains. Fairtrade is supporting small-scale producer organizations to participate in markets, but information asymmetry and the lack of contact with buyers are significant barriers to fairness.

Fairtrade increases producers' involvement in decision-making within their organizations, and improves some aspects of trading relationships. However, on a broad scale trade benefits are still not equally distributed to farmers and workers, compared to other actors in the supply chain. Much remains to be done to ensure that all producers have fair input into how their organizations are run.

## **Future research should incorporate different study designs to better measure Fairtrade's impact.**

DBG Consulting made a number of recommendations related to future research, including specific measures to define Fairtrade's impact in a clear and realistic way.

For instance, more longitudinal evidence — such as tracking individual households over several years or more — can better capture change over time and its driving factors as compared to looking at a single point in time.

In addition, different research design is needed to disentangle the success and limitations of Fairtrade rather than bundle multiple certifications schemes.



# Looking forward: Fairtrade's response

In the areas where the review found strong, consistent evidence of impact, we see opportunities to build on our strengths to deepen this positive change.

The findings that indicate mixed evidence of Fairtrade's impact have also been valuable, not least in helping us to understand how this impact (and the evidence for it) relies on significant external realities. These insights have helped us to form both our strategy and our revision of our theory of change. We're also taking steps to strengthen our monitoring system so that we can see where change is happening and close gaps in our research.

It's also highly valuable to have awareness of the areas where Fairtrade's impact is less influential, especially in broader changes in trade. Again, these have been factored into our new strategy, through bolstering our advocacy efforts, and working alongside producers to develop markets. Climate resilience is also an urgent topic in our new strategy, given shape by the specific findings in this review.

This evidence shows both what is possible, and where collective solutions still need to be found to achieve our goal: a world where farmers and workers can enjoy sustainable livelihoods, fulfil their potential and decide on their futures.





FAIRTRADE