



*Communauté européenne des coopératives de consommateurs
European community of consumer cooperatives*

*Speech on: "Consumer Co-operatives - putting Fair Trade into the
mainstream"*

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Ladies and Gentlemen,

First of all, I would like to thank FAO for its invitation to this conference on responsible production and trade, and for giving me this opportunity to present to you the views and work of consumer co-operatives on Fair Trade.

Secondly, allow me to introduce myself, I am Senior Adviser at EURO COOP, the European Community of Consumer Co-operatives, whose members are the national organisations of consumer co-operatives in 11 of the 15 EU Member States and in 6 of the soon-to-be EU Member States in Central and Eastern Europe.

My contribution to you today is divided into three parts:

- A short presentation of EURO COOP and its member organisations.
- EURO COOP's Member Organisations' work on Fair Trade.
- EURO COOP's role in Brussels on Fair Trade.

Introduce EURO COOP:

EURO COOP was created in 1957, its Secretariat is based in Brussels, and today it represents over 3000 local or regional consumer co-operatives, membership of which amounts to over 19 million consumers in the EU and 2 million in the associated countries of Central and Eastern Europe.

EURO COOP is one of the longest-established European consumer organisations: its members were the first European consumer organisations as their roots are in the co-operative movements, launched in the 19th century.

EURO COOP's objectives include promoting the economic and social aims of consumer co-operatives to the European institutions, in addition to representing and defending consumer interests. EURO COOP is a member of a number of consultative committees set up by the EU institutions and is also consulted on issues relevant to consumer co-operatives and their consumer-members.

EURO COOP works to ensure that laws and policies drawn up in Brussels take as much as possible into account the concerns of consumer co-operatives and their consumer-members across Europe.

Consumer co-operatives are owned and controlled by their members, the consumers, and therefore a major concern for them, at national and international level, is the promotion of consumer interests.

Beyond the mere fact of offering quality products and services, consumer co-operatives work for the sustainable development of their communities. One of their ways of fulfilling this objective is to help consumer-members in making better buying choices – which they facilitate via their policies of consumer information and education (using member magazines, web-sites, training programmes, etc.).

Consumer co-operatives therefore play an important role in contributing to more sustainable development and consumption through the products and information offered to their consumer-members.

EURO COOP's Member Organisations' Work on Fair Trade:

Turning to today's subject: Fair Trade.

The reason why Consumer Co-operatives are involved in Fair Trade is that the values and principles, that they are founded on, are closely linked to those of Fair Trade: "Co-operation amongst Co-operatives".

Fair Trade labelled goods guarantee farmers and workers reasonable remuneration for their work, the right to form a union, proper employment contracts, and no child labour.

Consumer Co-operatives therefore readily support Fair Trade.

- What is Fair Trade?:

Let us just sum up what Fair Trade is about:

- Pays a guaranteed minimum price – even if world market drops.
- Pays an additional social premium for reinvestment into communities.
- Aids marginalized and remote growers establish themselves in the world supply chain.
- Not charity but a fair and sustainable way of doing business.

And how big is Fair Trade?

- Fair Trade represents over 4.5 million producers.
 - Fair Trade involves 360 groups in 40 countries.
 - Fair Trade is sold in 17 countries.
 - Recognised now by 1 in 3 people.
 - 75% are aware of the FAIRTRADE Mark but 65% do not buy due to lack of availability.
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- The Role of Consumer Co-operatives:

EURO COOP believes that consumer co-operatives have an important role to play in promoting and informing consumers about Fair Trade products.

In this respect, EURO COOP's member organisations as consumer co-operatives have a long history of trying to develop Fair Trade products within their co-ops and members of the consumer co-operatives have consistently argued for more Fair Trade products to be on sale within their co-ops.

The current product range consist of, among others, coffee, tea, cocoa, honey, chocolate, sugar, bananas, mangos, wine, juice, footballs, musical instruments, toys and games, and paper products.

Consumer information is provided, for instance, via brochures, advertising, education of consumer-members, education material to schools and campaigns, such as yearly Fair Trade fortnights in co-ops.

Needless to say, that all EURO COOP's member organisations are doing good work in this field.

However, due to today's time constraint, I have pulled out our UK organisation – the Co-operative Group – as a good example of how consumer co-operatives work on Fair Trade.

In 1998, the Co-operative Group set out its Fair Trade Strategy:

1. Increase the product offering.
2. Increase awareness of Fair Trade.
3. Increase sales.

With the result being to make Fair Trade commercially sustainable for all concerned.

Ad1.:

- Establish the strongest position with what they had.
- Embark on an intensive own brand range development programme.
- Ensure new branded lines received continued and ongoing support.

How was it done?

- Strategic stocking move.
- Selection of Fair Trade products available in all Co-op grocery stores dramatically increasing availability.
- The Co-operative Group has more outlets selling Fair Trade products than any other UK retailer.

Products launched:

- January 2000: the UK's first Fair Trade banana.
- March 2000: first own brand products to carry the Fair Trade mark.
- 2001: UK's first fairly traded wine. As no international criteria had been agreed for wines, these could not carry the Fair Trade mark. The Co-operative Group worked with Traidcraft, the UK's largest independent Fair Trade company to pioneer this product.

- 2002: Six new lines – all UK first – were added to the Co-op range: white wine, white chocolate, mangoes, cake, instant coffee and pineapples.
- December 2002: decided to convert all its block chocolate to Fair Trade and at the same time launch its own chocolate campaign. The biggest ever Fair Trade initiative that they had ever undertaken.
- 2003: A new wine from Chile followed by the first Fair Trade products from South Africa – 2 wines, sugar, grapes and oranges.
- First two months of 2004: 11 new lines: pears, plums, 3 organic fruits, 3 Easter products, first Fair Trade short bread, and two more South African wines.
- In total 31 products.

Ad 2.:

- Fair Trade fortnights, TV adds, national press campaigns, store demos etc..

Ad 3.:

- Only 1.7% of banana sales are Fair Trade. In Co-ops the figure is 11% (40% for pre-packed!).
- 20% of Co-op ground coffee sales are Fair Trade.

Result: The Co-operative Group have made Fair Trade commercially sustainable for all concerned.

This is the first attempt, and a successful one, to move Fair Trade from being a niche production to a mainstream one.

EURO COOP's role in Brussels on Fair Trade:

I believe this is one of the challenges lying ahead for Fair Trade: How to “mainstream” it without jeopardizing the primary aims: to support a social, economic and democratic development in less-developed countries.

It is clear that more financial and political support will be needed in order to raise awareness and increase production of Fair Trade products. Private initiatives can only go as far as the given economic and political framework permits.

EURO COOP is therefore working in Brussels for Fair Trade to get on the agenda of the EU institutions and Member States to make sure that the EU becomes a frontrunner when it comes to support and promote Fair Trade.

In this regard, EURO COOP together with the two Fair Trade organisations: NEWS! and EFTA organised a conference "Fair Trade – A Contribution to Sustainable Development?" in the European Parliament on 23 March 2004. The conference was hosted by MEPs Chris Davies, Richard Howitt, Eija-Riitta Korhola and Heide Rühle. It received financial support from the King Baudouin Foundation and the Heinrich Böll Foundation. Key note speakers were: Commissioners Pascal Lamy and Poul Nielson.

A declaration was presented at the conference calling for the EU institutions and Member States to:

1. Establish a platform with all stakeholders that respect and work on Fair Trade, such as Fair Trade organisations and Consumer Co-operatives, for regular dialogue with the EU institutions.
2. Improve co-ordination between the European Commission services dealing with Fair Trade to achieve greater coherence among EU policies.
3. Implement development education and awareness-raising programmes among consumers.
4. Set up guidelines for public authorities on how to include Fair Trade criteria in public procurement contracts.
5. Fund projects that aim at linking disadvantaged producers to international trade under Fair Trade conditions.

6. Conduct global research on how to provide further market access to Fair Trade producers, for instance via WTO-compatible mechanisms to support Fair Trade initiatives in a non-discriminatory way.
7. Improve market access and access to information for disadvantaged producers from developing countries.
8. Provide practical producer assistance, including capacity-building and training.
9. Protect the Fair Trade system from abuse, by publicly recognising Fair Trade and Fair Trade organisations.
10. Set-up a guarantee system encouraging European organisations and companies importing under Fair Trade conditions to provide pre-financing and investment credits to their partners in the developing countries.
11. Evaluate the need to establish a European body for import-promotion from developing countries.

The declaration is available on EURO COOP's web-site: www.eurocoop.org. I hope that many of you will give your support by signing up to it.

To conclude, EURO COOP is working for the EU to show a real commitment to put Fair Trade on its political agenda and for the EU to work for Fair Trade to become part of WTO's agenda.

It is about time that Fair Trade moves from a niche position to a main one, politically and economically.

Business as usual no longer works. Today's world is about much more than profit. Economic growth has to go hand in hand with social and environmental aspects in order to secure a sustainable development for future generations.

Fair Trade provides us with such a model.

I am therefore happy that FAO has taken the initiative to host this conference.

I hope that other UN bodies and the EU institutions will follow your example. So that we can find ways of working together to make Fair Trade a major contributor to sustainable development.

Ladies and gentlemen, thank you for your attention. I look forward to discussing the issues with you.