

3 AIMS

Address **QUESTIONS**

Space for **PEERS** to share **VIEWS**

Bring **NEW IDEAS** to the table

Answer here

Individual 1-on-1 work

Collaborations/ Peer Networks

Big issues; longer time-line

**We will need
some
volunteers!**



FAIR PAYMENT – POLICY & PROCESS

2013 - 2017

POLICY & PROCESS
RATIFIED BY AGM IN
DELHI NOV 2017

CONSULTATION
with MEMBERS: PROCESS

CONSULTATION
with MEMBERS: POLICY

WG Physical Meeting

PILOT: Testing the
CALCULATOR

100%

Working Group Work

DEVELOPMENT / BUILDING PHASE

Global Board - Oversight & Monitoring

- Tools & Guides Complete - Jan 2018
- Policy & Process Integrated with GS – Oct 2018

INTRODUCTION & EDUCATION

2018 => WORKSHOPS AT CONFERENCES

2019 - 2022 => WEBINARS, TRAINING TRAINERS AND AUDITORS

New SAR/GS 2018/2019

EVALUATION & ADJUSTMENT

Consultation with members (4th QTR 2019 & 2021)
Adjustment of material (1st QTR 2020 & 2022)

LIVING
INCOME

ASSESSMENT : WFTO
EUROPE

SYSTEM AUDIT: PART OF GS
AUDIT 2020/2021?

2018

2019

2020

2021

2022

WFTO GLOBAL -> GS Work

How do we tell our story outside WFTO?
WHO do we need to talk to?
WHEN - proactive or reactive?



Where does the **FAIR PAYMENT PROCESS** live now?



WFTO GUARANTEE SYSTEM HANDBOOK (SAR)

4 FAIR PAYMENT



WWW.WFTO.COM

Tools and Guides are on WFTO
Website!



QUESTIONS FROM DEC/JAN SURVEY

TUITION & MENTORING

Where to start – practical application/support & best practices
How to calculate the Local Living Wage
How to implement in Internal Monitoring, SAR & Audit

GENERAL

Discuss our experience with experts and peers
General knowledge about Fair Payment
Report on current situation

SPECIFIC QUESTIONS

How to deal with different scenarios when calculating LLW
Flexibility to not have to go through the Fair Payment Process if you are already paying way more than minimum price.
Guidance for Northern producers
How to implement with 150 trading partners all over the world.
WFTO should provide benchmarks for Living Wages

How to deal with different scenarios...

Producers cooperatives – 1 a little under the level; 2 a lot under the calculated level.
Company employing people – 2 a little under the level ; 4 a lot under the calculated level.

1. Record the situation as it is.
2. Work through each of the 9 scenarios with the producers – each one will need a different improvement plan and will be on a different time-line.

NB: It does not have to happen all at the same time
– as long as your plan is part of your improvement plan.



Flexibility to not have to go through the Fair Payment Process if you are already paying way more than minimum price.

**STOP
HERE**

1. Calculate the LW using food basket calculator
2. Construct your Local Living Wage Ladder
3. Make your Local Context Notes
4. Start a process of negotiating with producers/workers/buyers to construct a plan and timeline to achieve Local Living Wages
5. Include process in your SAR's Improvement Plan

IF your CONFIRMED Local Living Wage is higher than the CALCULATED Local Living Wage, you do not need to proceed to step 4 and 5.

Guidance for Northern producers

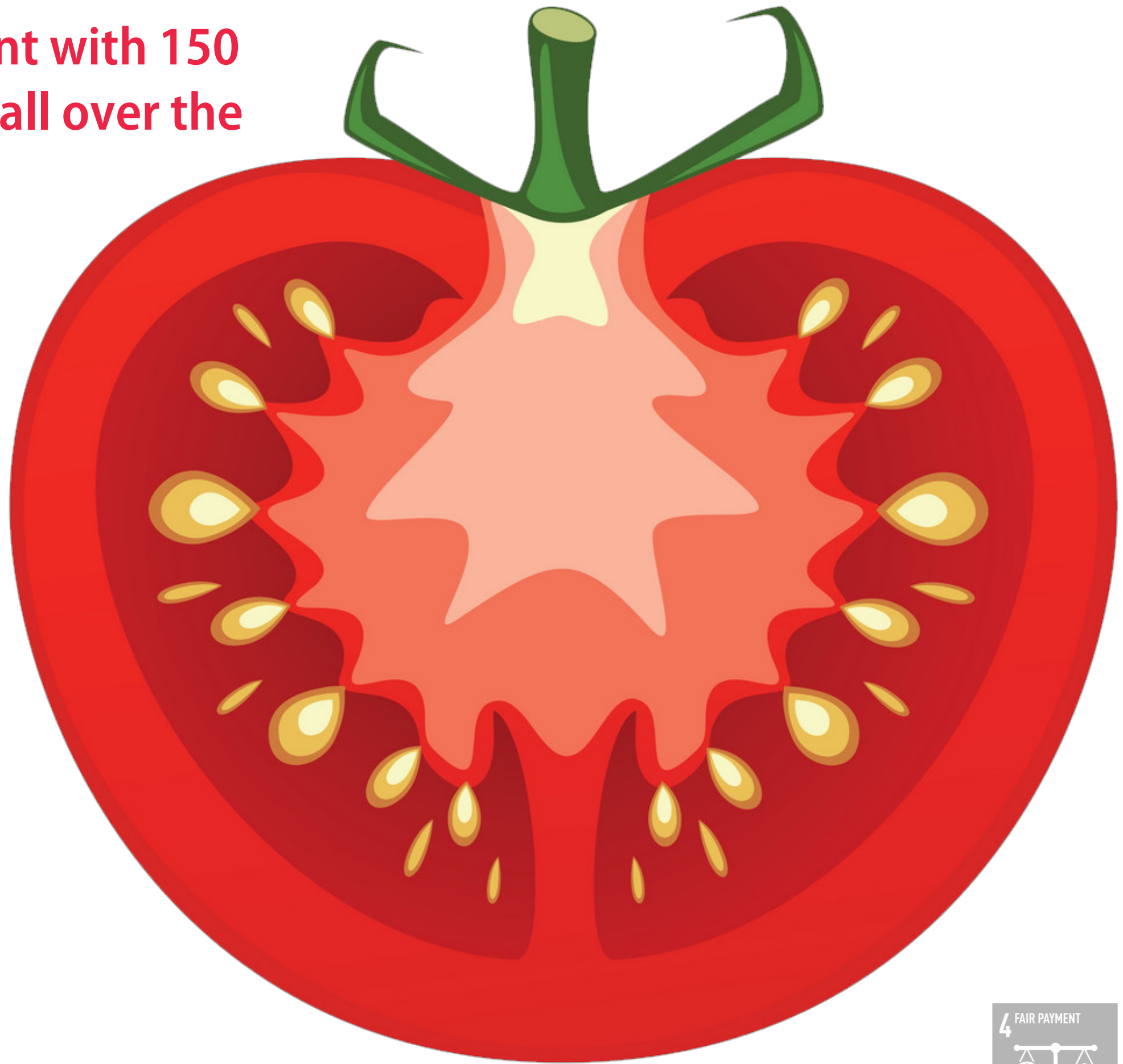
The Fair Payment Process works for ALL producers because it works with LOCAL data.



LOCAL LIVING WAGE ► FAIR WAGES ► FAIR PRICES ► FAIR TRADE



How to implement with 150 trading partners all over the world.



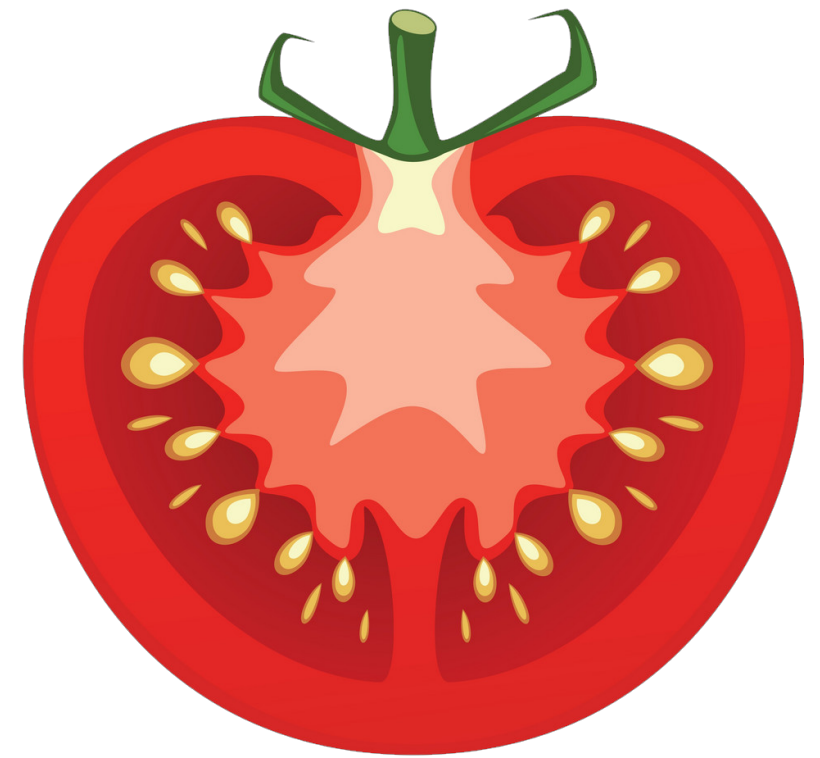
Triage

**WFTO Members are in the
Fair Payment system
already**

**Divide the rest
according to risk.**

**Potential risk to reputation
Proportion of Trade**

**Divide the list into
bite size chunks –
start modestly.**



MOST IMPORTANT IS TO HAVE A PLAN!

Why doesn't WFTO calculate benchmarks for each region?



WFTO is a membership organization with an elected board.

The Global Board and WFTO Global - has a constitutional mandate to be the guardians of the fair trade code of conduct for our members – we are not a standard setting organization.



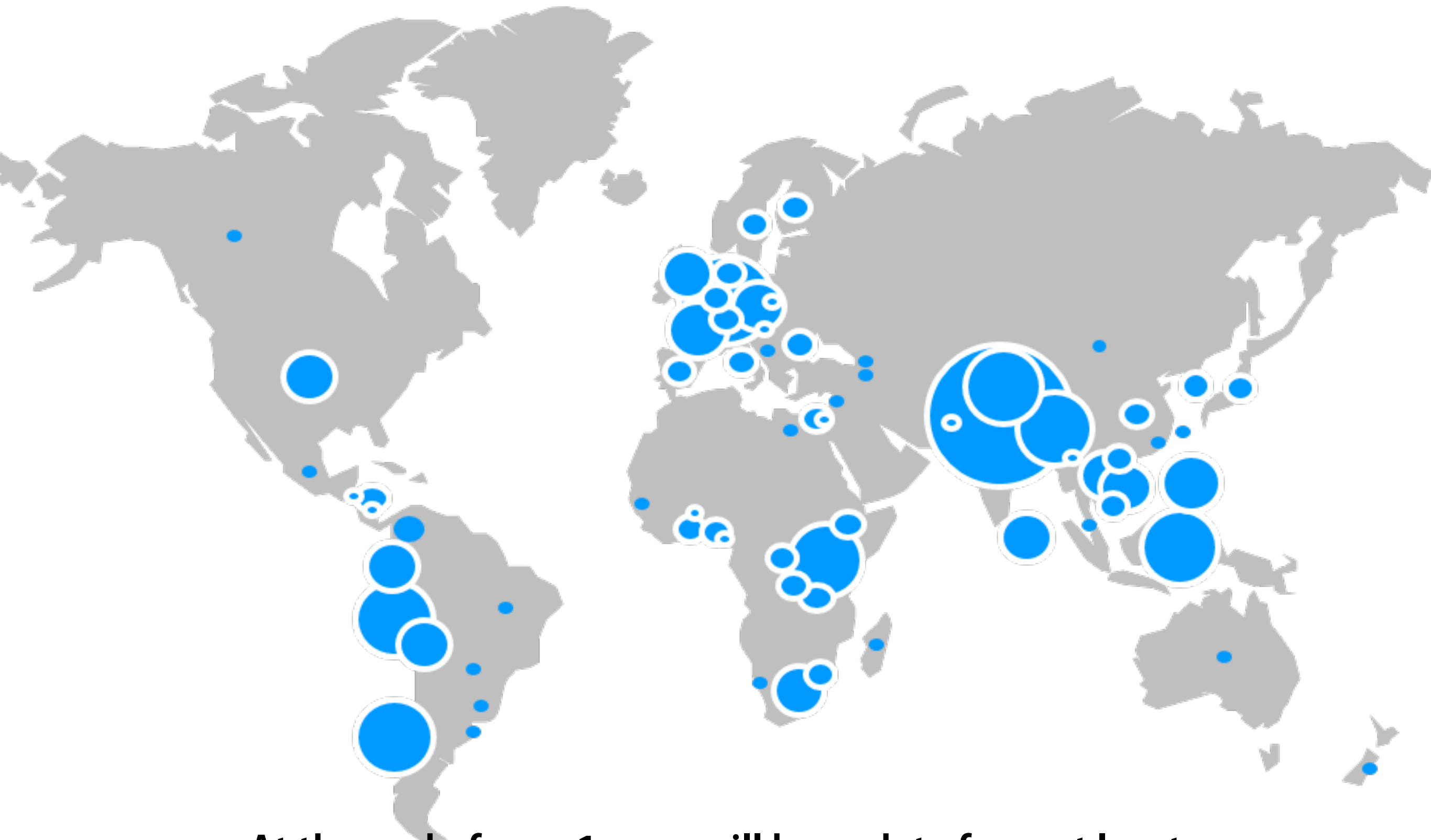
WFTO is like FIFA – we make the rules of the game - but we cannot dictate what the score should be.

What makes WFTO's Fair Payment Process uniquely valuable?

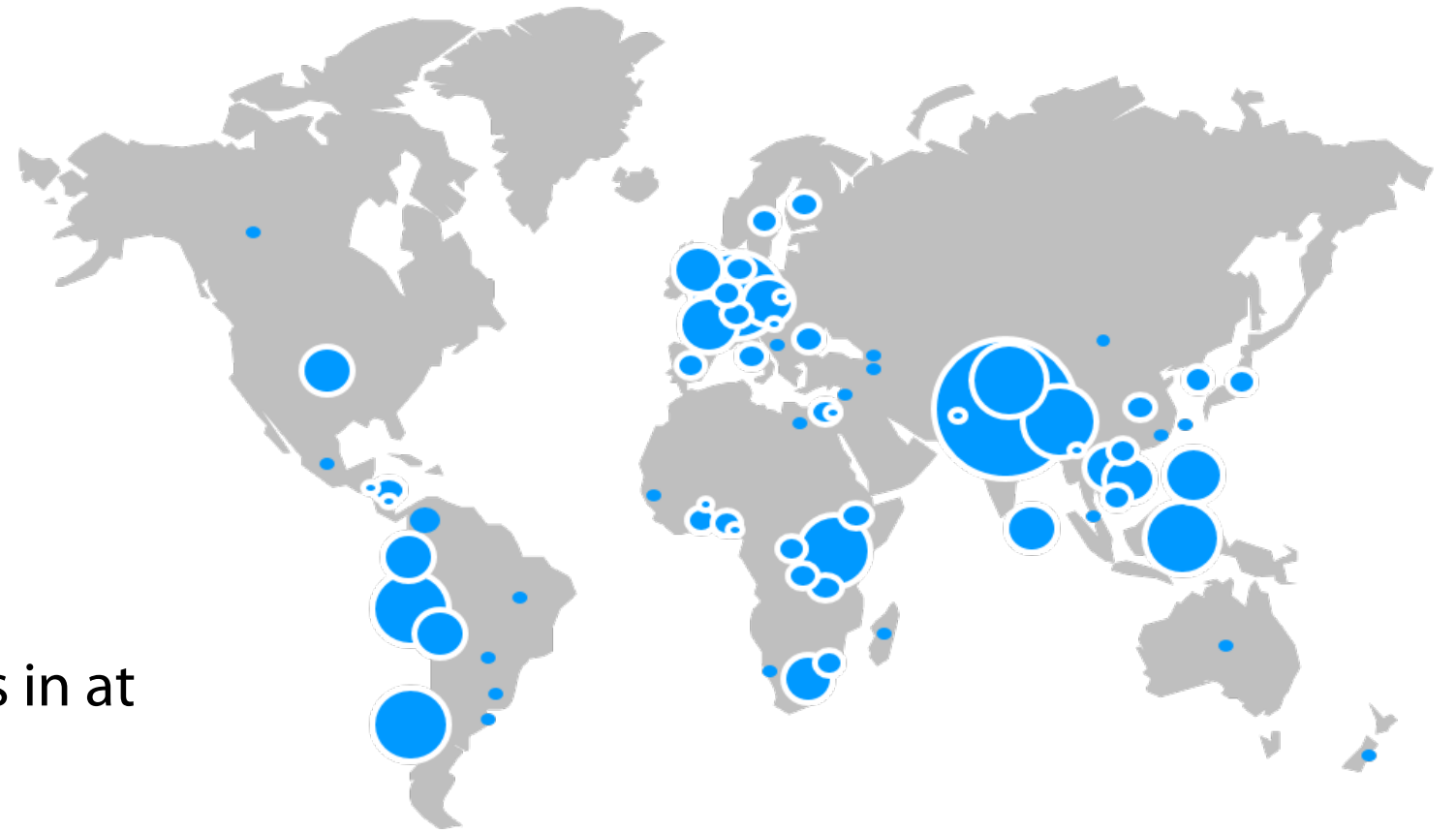


LOCAL LIVING WAGE ► FAIR WAGES ► FAIR PRICES ► FAIR TRADE





**At the end of year 1 – we will have data from at least
323 points in the world**



Year 2 – we will have 646 data points in at least 323 locations

Year 3 – we will have 969 data points in at least 323 locations (and the start of a 'history'...)

Year 5 – we will have 1615 data points in at least 323 locations.

**What does this mean for us
as members of WFTO?**

**We will have a credible,
growing, self-updating,
real-life data-base of Local
Living Wages around the
world.**



What an awesome privilege!



LOCAL LIVING WAGE ► FAIR WAGES ► FAIR PRICES ► FAIR TRADE



Why don't WFTO just use the benchmarks calculated by the Global Living Wage Coalition?





**We respect the work
of the GLWC!**

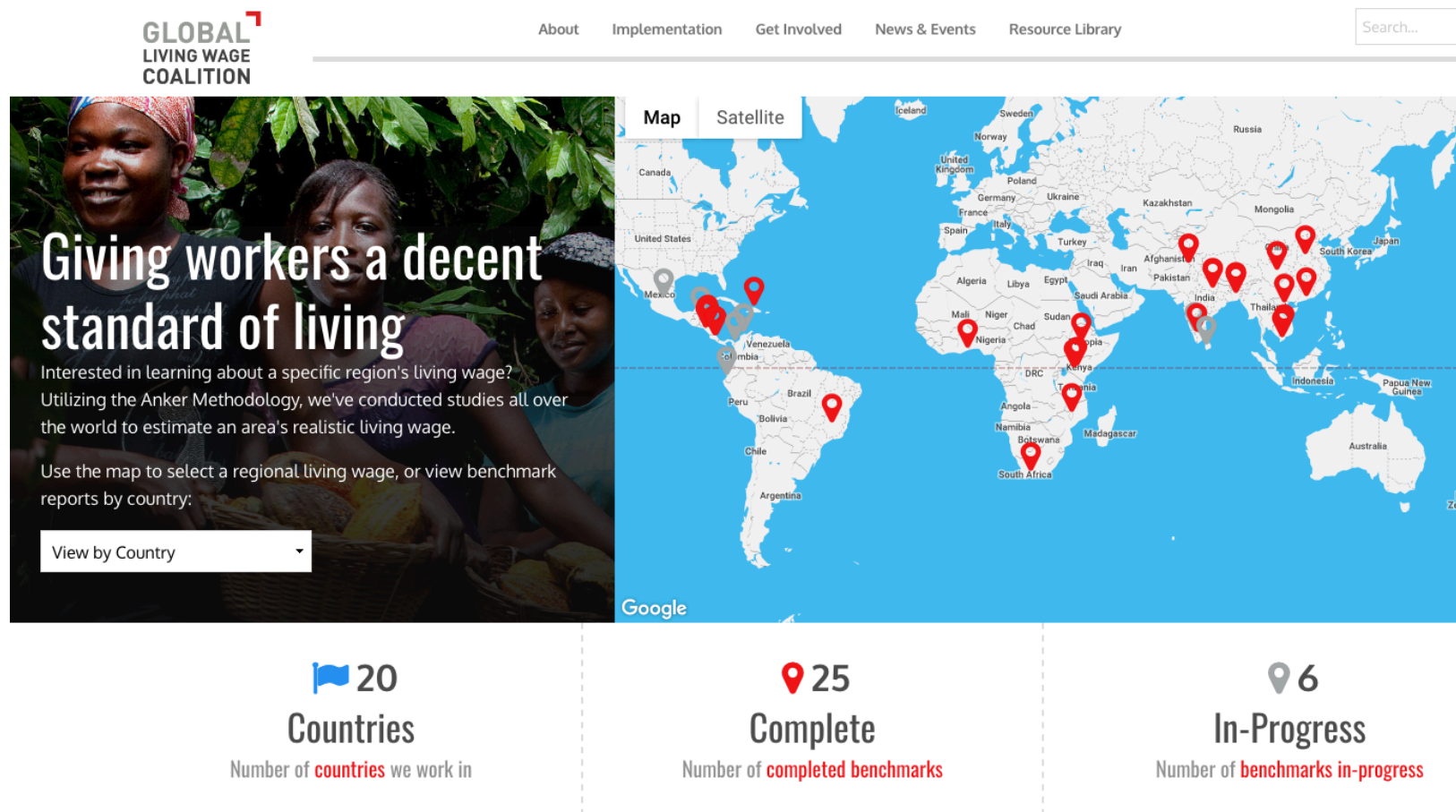
**Their box is just a
little small for us...**



1615

What is a Living Wage Benchmark?

The benchmark is an indicator of an ideal level (it does not mean it is what people are actually being paid), and it is desperately vulnerable – the moment it is published, it starts going out of date...



At the end of year 5, the GLWC will have to update at least 10 existing benchmarks and even if they double their efforts from previous years, they will still be under 50...

What is a Living Wage?

The benchmark (or the calculation) is an indicator of a level. It does not mean it is what people are being paid – it simply means someone has made the calculation...

(this is a personal observation - something that bothers me no end... the text on the left makes it sound as if it is happening... that people are getting the benchmark LW when in truth all that has happened is that someone made the calculation...) BTW – where it is appropriate, we encourage members to include the GLWC benchmarks in their calculations – it is valuable as part of our Local Living Wage Ladder and very 'real' – provided it is fairly current.

Ours is a journey of continuous improvement.

We are growing the solutions that will make us more equitable, more resilient, more sustainable Fair Traders.

We are moving slowly and carefully – it is part of the plan...

