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## North-north Fair Trade Position paper

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The World Fair Trade Organization-Europe calls Fair Trade Enterprises and Movements to recognize and include Northern Fair Trade producers such as small-scale farmers, artisans, and marginalized groups in Europe.

We need to recognize that small-scale farmers, artisans, and marginalized groups within Europe experience similar challenges as everywhere else. Over the past 40 years, inequalities in Europe increased, both between and within [countries](#). The current Covid-19 pandemic intensifies this trend, hitting the most vulnerable population disproportionately, as unemployment is highest in low-paying [jobs](#). Inequality due to economic disadvantages is not bound to the Global South and needs to be addressed within Europe too. Fair Trade businesses can challenge these inequalities and provide opportunities for economically disadvantaged groups in Europe.

**Small-scale farmer.** At the beginning of the supply chain and dependent on bigger corporations to bring their products on the market and to consumers, small-scale farmers in Europe possess little bargaining power. This is making them vulnerable to price pressure and to unfair trading practices such as late payments, last-minute order cancellations, or returning wasted and unsold [products](#).

For big farms with labour-intensive food products such as vegetables and fruits, it is the farmworkers who pay a high price for cheap produce: long working hours and wages far below the country's [minimum](#). [Seasonal workers](#) are entitled to the same treatment as the national workforce, but they are vulnerable to exploitation. Women are especially at risk as they endure unacceptable practices to fulfil their responsibility and pressure of supporting their families at home, they often don't speak the foreign language, some being illiterate, and not aware of their rights. Furthermore, about 30% of seasonal workers do not have a contract and in certain countries unregistered employment can make up 90% of the agricultural employees. These factors make them vulnerable to systematic exploitation and once "employed" they have only little power to influence or escape the situation.



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Investigations show that seasonal workers face inhumane working and living conditions: they have accommodations without running water, electricity, or sanitation; are threatened by employers; and experience violence, blackmailing, and sexual abuse.

And this is not an issue of a few people. Big farms all over Europe are highly dependent on workers from abroad. An estimated 1 million seasonal workers from within and outside the EU come from countries like Romania and Bulgaria (working in the UK), Ukraine (working in Poland), Morocco (working in Spain and France), and Thailand (working in Sweden).

The FT Movement and FT Enterprises can challenge this development by supporting small-scale farmers within Europe. In Europe the number of farms has [decreased by 30% in the last 15 years](#). As this decrease mostly concerns small and medium sized farms, there is an increase in large farms that are more dependent on non-national seasonal workers and are known for bad practices. Supporting small-scale farms, therefore, tackles one of the factors leading to the exploitation of farm workers and at the same time, ensuring fair trading practices for farmers in general.

**Artisans and small-scale producers.** Agriculture is not the only sector reporting low labour right enforcement in Europe. Another concrete example can be found in the fashion industry. Brands manufacture and produce garments and footwear in Europe to portray a better brand image, as consumers assume that working conditions in Europe are always lawful. However, studies found that this is not the case and that production in Europe is very similar to production in Asia. Workers need to work extra hours to earn enough money to sustain their family as wages are far below a living wage. In Ukraine the minimum wage for a garment worker is 89€ and in Slovakia it is 374€ while a living wage is estimated to be four to five times higher in those countries. And employees report about bad working conditions, insults and being threatened with termination by employees when questioning working [conditions](#). There is a power imbalance as workers are dependent on big firms and do not have the possibility to find better employment elsewhere.

The FT Movement and FT Enterprises can challenge these practices by supporting small-scale artisans within Europe. This gives artisans the option to find employment elsewhere and avoid working for big firms that violate labour rights.



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**Marginalized groups.** Next to the two economically disadvantaged groups mentioned above, the Fair Trade Movement and Enterprises can create new economic opportunities for marginalized groups. At the moment, groups such as refugees, recovering drug addicts, people with disabilities, and other minorities are marginalized within Europe. This translates to less access to the job market, lower, and unsecured incomes. In the UK, less than 5% of people with physical or mental disabilities have a paying job. And those that are in paid employment, earn less. Another study from the US found that unemployment among formerly incarcerated people is nearly 5 times higher than for the general public, showing the economic exclusion of this group. Although less extreme, it is also found that employment rates of migrants and refugees are lower than for the native-born population.

Our current economic system does not provide the necessary support to integrate these groups.

The FT Movement and Enterprises can challenge this by providing new economic opportunities to those groups, and supporting existing initiatives as found in the social and solidarity economy and the like.

Today, we need to recognize that inequalities need to be addressed regardless of geographical location. Most people would expect that labour rights and laws are enforced properly within Europe. As the examples from above show, this is not always the case. Therefore, it is also no longer fitting to distinguish between the Global South and the Global North, as there is a big variety between and within countries that cannot simply be divided into two groups. Rather, each case needs to be viewed individually. While there are grievances within Europe, positive examples can be found around the world too. The country ranking on gender equality by the [World Economic Forum](#) illustrates this: Nicaragua and Rwanda are ranked as two of the top 10 countries closest to achieving gender equality, both ranking higher than Germany.

The FT movement and FT Enterprises offer a solution to address inequalities anywhere: FT Enterprises are mission-led and together they are working on a more just and equal world. Just as they are already active in other parts of the world, it's time to create positive change in Europe too – and it is possible. Within Europe there are examples of WFTO-Europe members who work with social workplaces and reintegration facilities in the manufacturing of products such as chocolate and other raw materials coming from the Global South. Also, there are examples of products being entirely made within Europe with the benefit of giving employment to economically disadvantaged groups mentioned above.



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The FT Movement and FT Enterprises can challenge inequalities by collaborating with, promoting and including northern FT producers. This addresses inequalities within Europe and contributes to a shift from profit maximizing business models as the norm to mission-led business models as the general rule. It is clear that the dominating economic model must change, or the issues and inequalities described will persist. They have the common characteristic of being caused directly by the drive to maximise profits. Fortunately, the existing Northern Producers within WFTO provide solutions to these issues with a common characteristic: Applying mission-led business models to prioritise people and planet before profits. This characteristic is shared by all members of the WFTO, regardless of where or with whom they work. To truly change the economic system that is causing these issues by the very way it works, it is necessary to remove the distinction between the Global South and the Global North – for it will require that mission-led business models become the norm across the entire world. In the South and in the North – everywhere.