

# WHAT DO WE REALLY KNOW ABOUT THE IMPACT OF FAIR TRADE?

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How to quote:

Vagneron, I. and S. Roquigny, 2010. "What do we really know about the impact of fair trade? A synthesis", Paris: PFCE, 25 p.

## Summary

Through this work, the French Platform for Fair Trade (PFCE) wanted a comprehensive overview of existing studies on the impacts of fair trade, *i.e.* one that presented some straightforward results, without hiding the many methodological issues encountered nor the great richness and variety of topics covered by the studies. For the PFCE, this work has methodological implications (better target coming impact studies) and pragmatic implications (improve the fair trade). The analysis focuses on 77 studies carried out between 1998 and 2009. All of the studies explicitly aimed at assessing the impact of fair trade on producers in the South. Studies devoted to the impact of fair trade in developed countries (on Alternative Trade Organizations, consumers, etc.) were outside the scope of this study. This literature survey was pegged to a multi-criteria database in which the main characteristics of each study are stored: country, sector, product, other certifications, type of effect described and analyzed, etc.). The first result of this work is that impact studies of fair trade are geographically and sectorally concentrated: 74% of the studies focus on Latin America and the West Indies, and 92% on food products. The flagship products of these studies are respectively: coffee (47% of all studies), bananas (13%), and cocoa. Only 4% of all impact studies considered focused on handicraft.

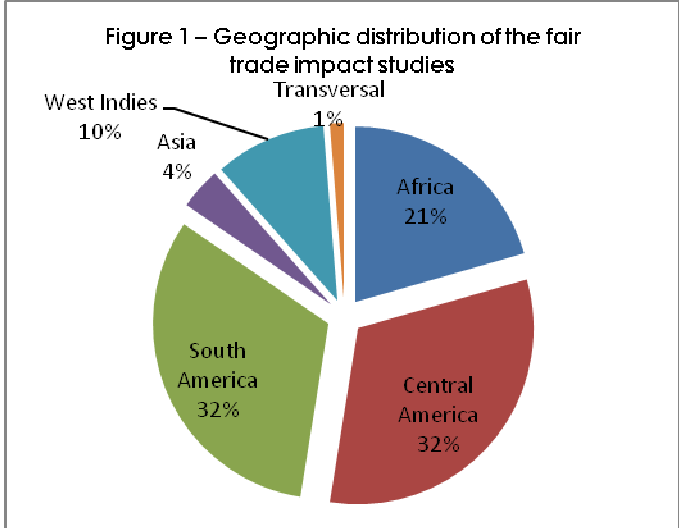
In terms of methodology, despite some common features (most studies are in the field of economics and work at a micro-economic level, most analyses assess the impact of fair trade on the producers and/or their organizations), the approaches are both quite heterogeneous (participant observation, econometric studies, etc.) and quite secretive concerning their methodology. Two main frameworks for analysis were developed recently: the methodology developed by AVSF/FLO/MH (Eberhart, 2007) and quantitative impact assessment methods based on statistics (Ruben *et al.*, 2008). While the former are mainly founded on qualitative and static approaches, the later aim at assessing the impact of fair trade over time. Since 2006, the criteria taken used to measure the impacts of fair trade are increasingly diversified and original: there is a growing interest relating to plantations, the fate of wage workers on fair trade farms/plantations, women, the spill-over effects of fair trade, etc.)

The most documented impacts of fair trade (those that are mentioned by over half of the studies of our sample) are the impacts in terms of: producer prices and producer incomes and the ability of organizations to offer their members an improved access to the market, as well as to technical

and social services. Conversely, still very little is known about the impacts of fair trade on: the most vulnerable groups (women, wage workers); the environment; the legitimacy of producer organizations and the development of their institutional networks; or various spillover effects. The most positive impacts of fair trade are high price differentials and higher and more secure incomes. More mitigated or controversial impacts were found concerning: the economic situation of women, the governance of producer organizations, and the positive externalities of fair trade in terms of rural migration. The lack of a clear picture may come from the fact that these criteria are still little studied. Finally, one unexpected effect was the impact that fair trade may sometimes have on inequality: by supporting a group of beneficiaries, fair trade may sometimes become a source of conflicts, or exacerbate existing inequalities at the micro-level (between men and women, between farmers and wage workers, between temporary and permanent workers, etc.), the community level (horizontal inequalities), or within a value chain (vertical relationship). One of the main recommendations of this report is to redirect future impact studies on under-represented target populations in order to better take into account existing local tensions.

**1. General presentation of the impact studies**

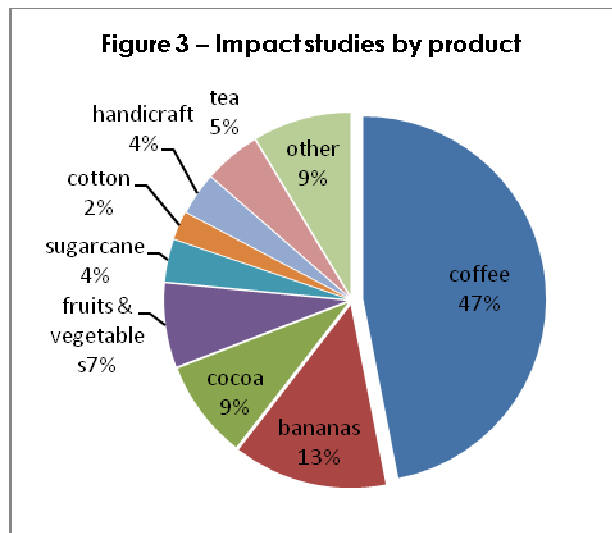
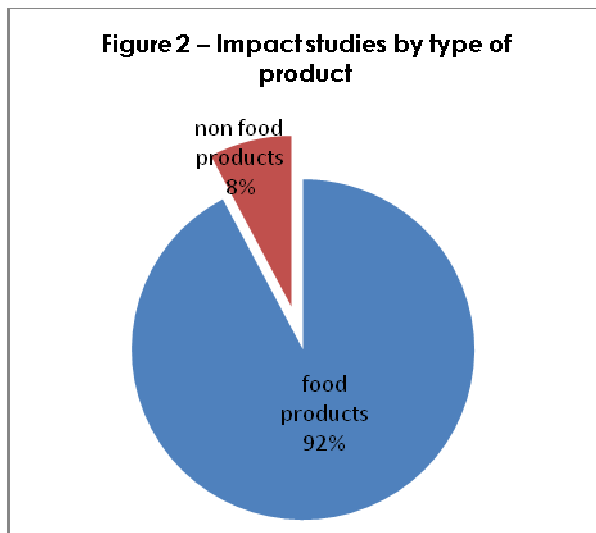
Central and South America are quite well represented in the fair trade impact studies (64% of the studies of our sample). Africa is quite well represented despite a gap between East and West



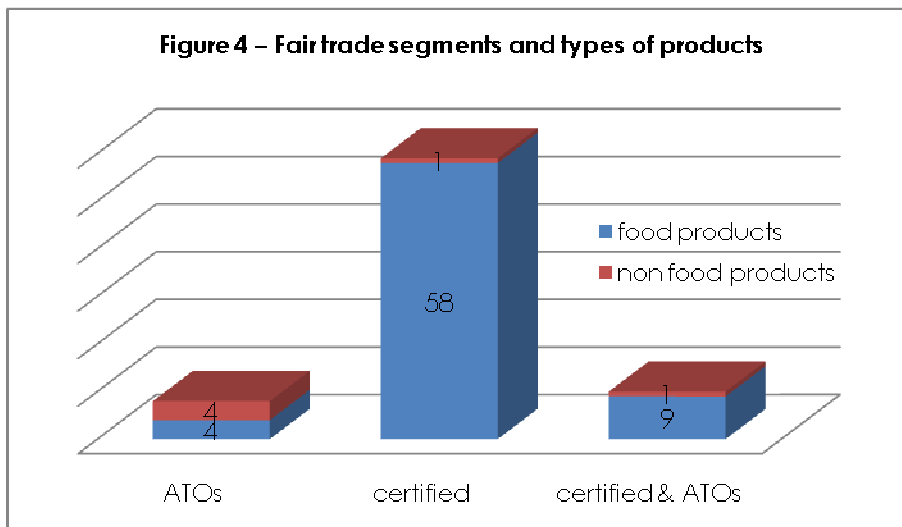
Africa (Figure 1). Finally, the weight of Asia is surprisingly low (only three studies, of which one is on handicraft).

This geographic distribution of the impact studies is not surprising at all: it actually matches the geographic distribution of the producer organizations certified by FLO.

The impact of fair trade on producers and their organizations is not much studied outside the agricultural sector. Despite its historical involvement in the fair trade movement, handicraft is largely ignored by the studies: 92% of the studies focus on food products and almost 50% on coffee (Figures 2 and 3).



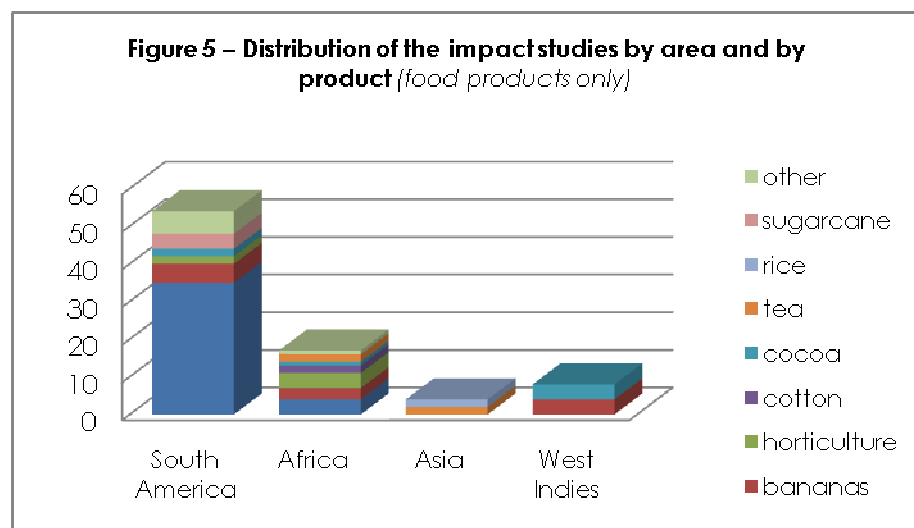
77% of the impact studies deal with the certified branch of fair trade; 10% of the studies deal with the ATO branch of fair trade; and finally, 13% of the studies concern producers and producer



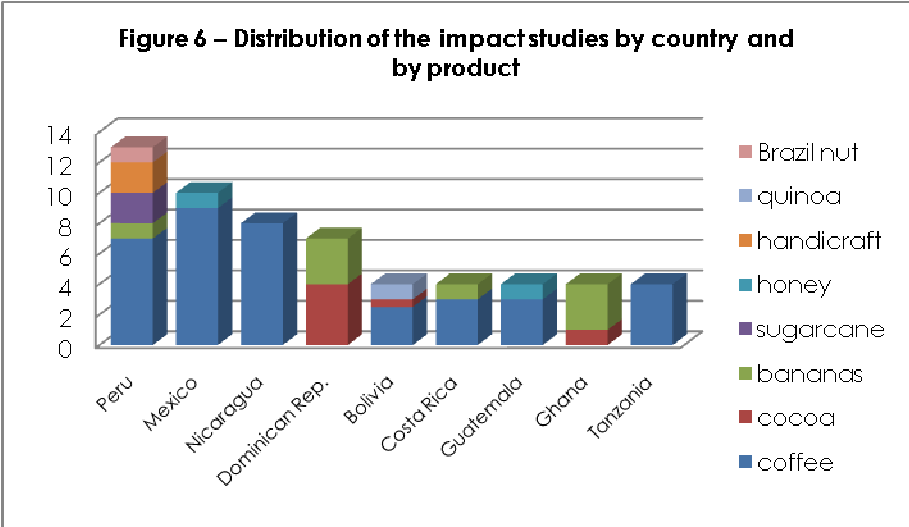
organizations that are at the same time fair trade certified and work in close relationship with ATOs. Figure 4 shows how the studies are split, along the certified/non certified

and food/non food divides.

Once again, the studies accurately reflect the structure of fair trade. Figure 4 seems quite close to the actual segmentation of the fair trade



market, with on the one hand a certified segment that is specialized in food products (except for



cotton), and on the other a more diversified segment that deals with the ATOs.

Figures 5 and 6 show the overwhelming domination of the fair trade coffee initiatives

in South America (especially in Peru, Mexico, and Nicaragua) and in Tanzania. These results may be explained by the precedence of Latin American and Tanzanian coffee in the historical fair trade markets, and by the large volumes of coffee traded in the world. Coffee, bananas, and cocoa alone account for 75% of the impact studies of our sample. The Dominican Republic is an interesting case with impact studies equally divided between the cocoa and banana sectors.

Following a joint development of the fair trade and organic agriculture initiatives, 74% of the studies focus on producers who comply with both standards (with serious methodological limitations however). Finally, impact studies start to focus on plantations since 2008, mainly in the banana (Ghana, Colombia) and tea (South Africa, India, Sri Lanka) sectors.

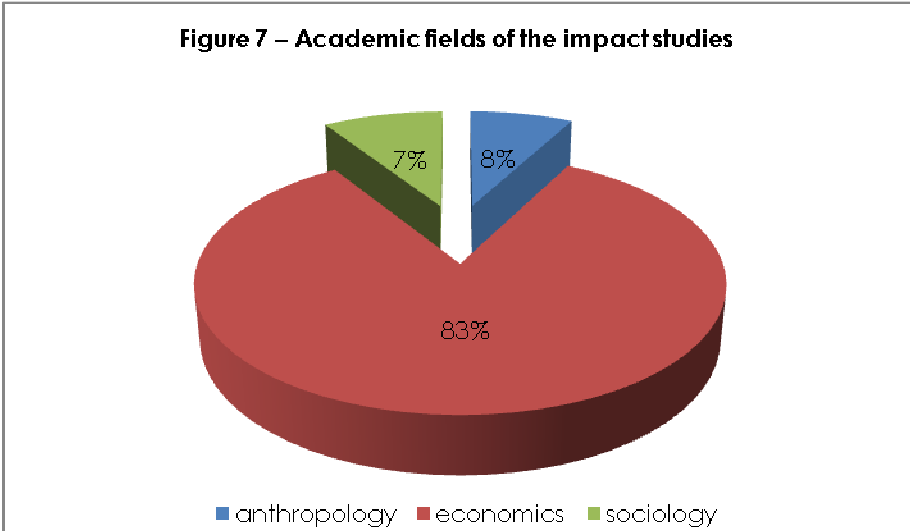
**What you should remember...**

- **Central and South America** are largely over-represented in the studies on the impact of fair trade with 64% of the studies.
- 92% of the studies focus on **food products...** and almost 50% on **coffee**.
- The impact of fair trade on the producers and their organizations in the **handicraft** sector remains unexplored.
- Since 2008, several studies have started to focus on the impact of fair trade in **plantations**.

## 2. Methodologies used in the impact studies

One of the main difficulties encountered when performing this literature review is that almost all studies are quite unique in their design. As few methods are replicated, the results are very heterogeneous. Heterogeneity occurs at various levels: unit of analysis, conceptual and theoretical frameworks, data collection methods, etc. While some studies privilege participant observation, others rely on statistically significant samples with or without a control group; others still focus on extremely specific criteria (e.g. women participation, community conflicts). As a result, generalizations are difficult, and comparisons through time and space are impossible.

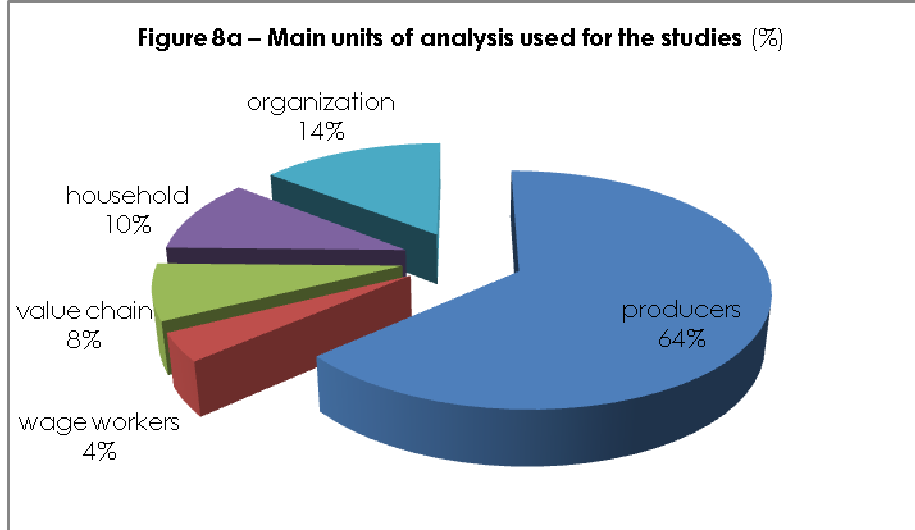
83% of the impact studies considered in this review were in the fields of economics. Analyses



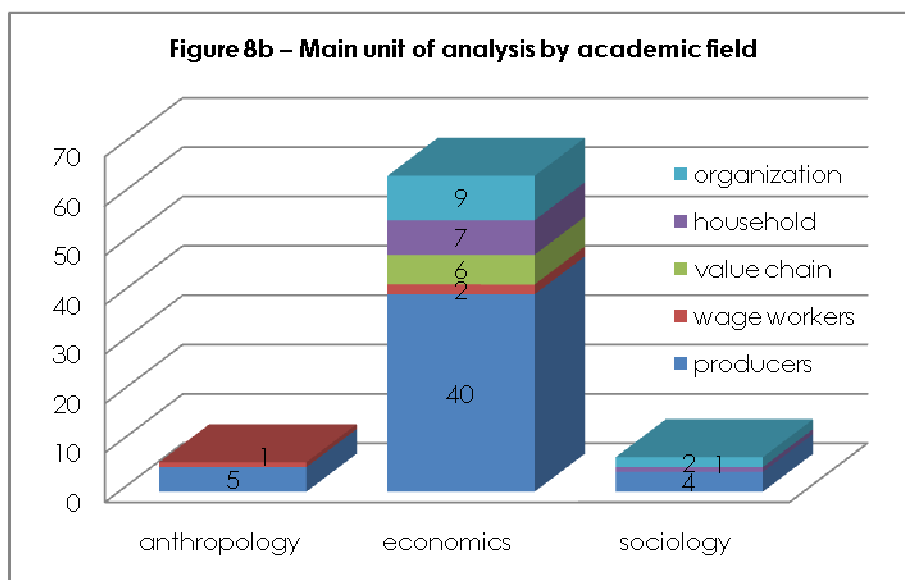
invoking sociology and anthropology represent respectively 7% and 8% of the studies (Figure 7).

While almost all of the studies analyze the impacts of fair trade at a micro-level

(focusing on producers, wage workers, households, etc.), some studies focus on entire value chains. There are no macro-level (aggregate) studies. Three-thirds of the studies focus on at least



two units of analysis, the most popular being the producer and the producer organization (Figures 8a and 8b).



Other common units of analysis include: the household (8/77) and the value chain (6/77). Wage workers (3/77), women (2/77), or the community (2/77) remain very little studied.

All but two of the impact analyses are based on case studies involving extensive fieldwork. The methodologies used for collecting and analyzing the data are often not always very explicit (they are defined in 50 out of the 77 studies). Sampling strategies are hardly ever documented and are very variable: among the 34 studies that do mention sampling, 25 work on a statistically significant sample. Medium size samples (over 100 observations) are analyzed statistically (19/34), while some large samples (over 300 observations) are analyzed econometrically (3/34). There is a good balance between qualitative and quantitative approaches: one-third of the studies are exclusively quantitative, one-third are only qualitative, and one-third mix both approaches.

The various approaches used to analyze the impact of fair trade include: the methodology developed by AVSF/FLO/MH (10 studies); impact analyses involving quantitative or econometric methods (11 studies); sustainable livelihood approaches (5 studies); global value chain approaches (5 studies); and finally, the French “filière” approach (3 studies).

54% of the studies question the general impact of fair trade, 5% focus on the economic impacts only and 40% focus on a specific effect (child mortality, respect of human rights) for a specific unit of analysis (women, wage workers). Finally, some studies focus on indirect effects that go well beyond the fair trade project and its intended beneficiaries.

The participatory approach (17 studies) is privileged by sociologists and anthropologists, but is more rarely used in the field of economics. Finally, many studies include a comparative dimension:

either by comparing the situation “with fair trade” to a situation “without” (i.e. to the conventional sector) or by comparing fair trade with another certification scheme (e.g. organic agriculture).

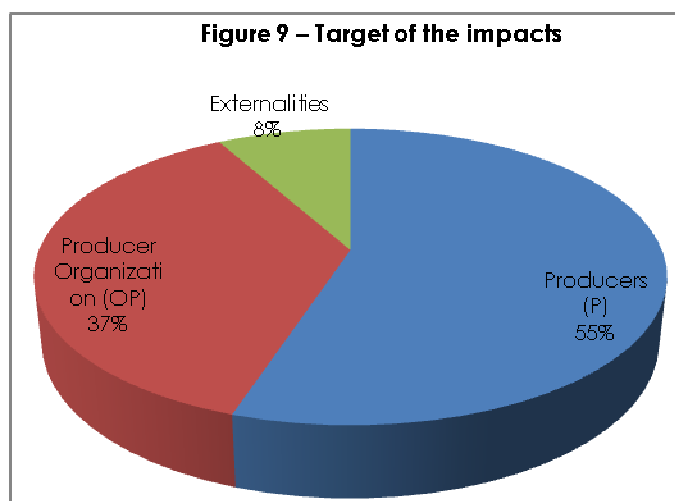
#### What you should remember...

- Although economic studies prevail, there is a great diversity in the research methods, fields, and approaches mobilized to study the impact of fair trade.
- Almost all studies privilege a micro-level approach.
- 88% of the studies take the producer or the producer organization as the unit of analysis.
- Wage workers (permanent and temporary) and women are categories of beneficiaries of fair trade that are still largely under-explored.
- Most studies are based on primary data coming from extensive fieldwork.
- Methodologies are not always very explicit.
- Very few studies are based on participatory research (17/77).
- Most studies include a comparative dimension, although very few use a control group.

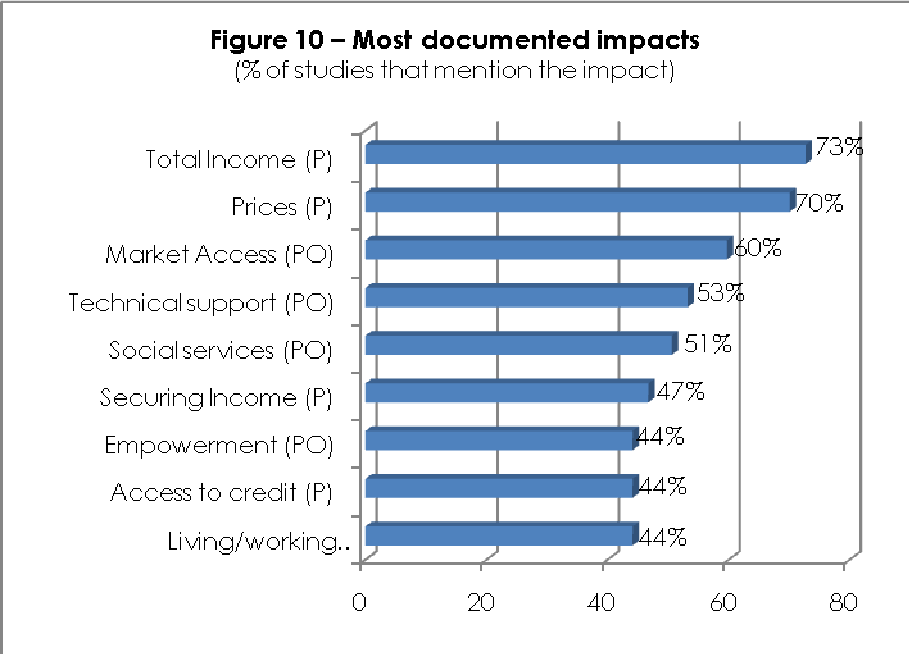
### 3. How many and what impacts are we talking about?

Our objective in this section is to synthesize the main results of the impact studies and to highlight remarkable outcomes (controversies, unexpected results, local specificities, etc.).

As shown in Figure 9, half of the studies focus on the impacts of fair trade on the producers, 37% focus on the impacts on producer organizations, and only 8% focus on the positive externalities associated with fair trade.



Altogether, the most documented impacts are: producer incomes and producer prices; the trade performance of producer organizations (namely their ability to link their members to international markets); and the ability of producer organizations to support their members through technical



advice and social projects. Other more qualitative criteria, such as producer empowerment or the improvement of their living and working conditions, are also well documented (Figure 10).

The impacts on the producers and their families

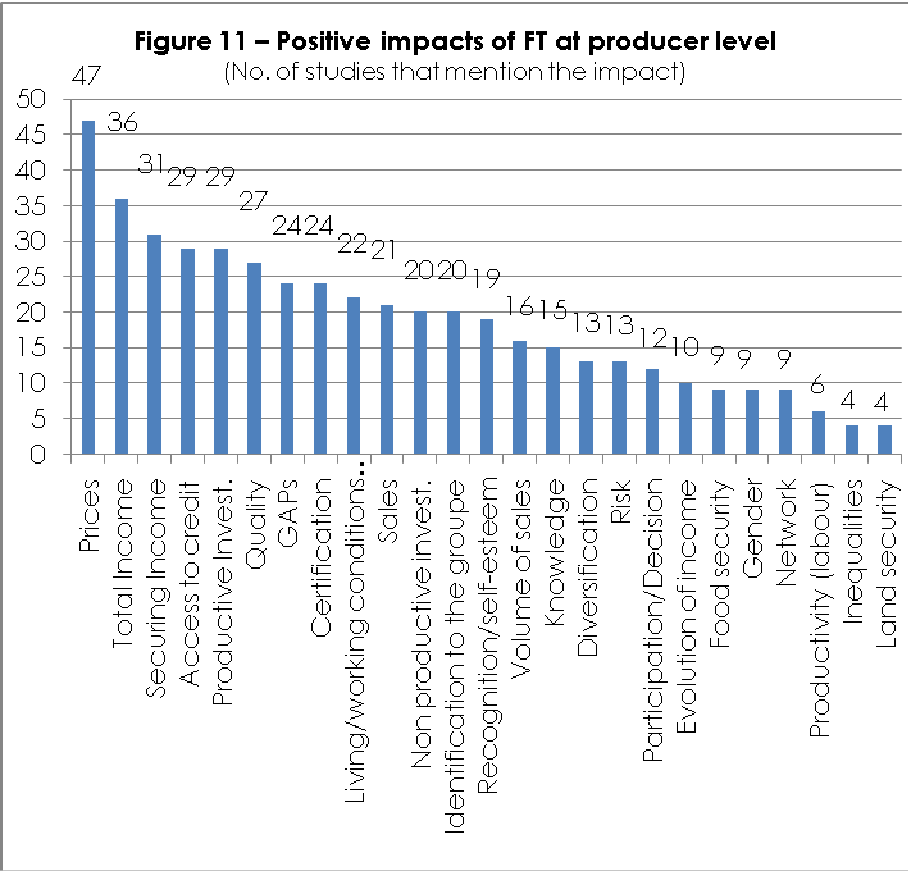


Figure 11 shows that the most mentioned impacts of fair trade on producers are the impact on prices (47 studies) and incomes (36 studies). Fair trade also secures the incomes of the producers (31 studies), spurs the productive investments (29 studies), and improves the access to credit of affiliated members (29

studies). The impact of fair trade on living and working conditions is also mentioned in 22 studies.

The impact of fair trade on the self-esteem, the social recognition, and the identification to the group of affiliated producers is mentioned by 20% of the studies. 15 studies highlight a positive impact of fair trade on producer knowledge and 12 studies mention a positive impact on the participation to the decision making processes. Finally, fair trade indirectly contributes to the improvement of product quality and to the adoption of good agricultural practices, namely by facilitating the adoption of organic certification.

The studies that explicitly focus on gender reveal very different situations: although 9 studies show an improvement in the socio-economic situation of women, 5 show the opposite. Moreover, fair trade does not mean the end of inequalities: indeed, different categories of beneficiaries have a different access to fair trade and the most discriminated social categories (e.g. women, temporary wage workers) benefit less from the positive impacts of fair trade. In handicrafts, the situation is slightly different as fair trade provides work to social categories that would otherwise be unemployed. Finally, too little is known on the impact of fair trade on the environment and methodological improvements must be made to enable to discern the effects of fair trade from those of other (environmental) certification schemes such as organic agriculture, Rainforest Alliance, Forest Garden Products, etc.

When analyzing the positive impacts observed at the producer level, one should keep in mind several factors such as:

- the level of world commodity markets at the time of the study
- the ability of producer organizations to maintain themselves on the fair trade market
- the rules of distribution (of rewards, inputs, information, power, etc.) within producer organizations
- the level of producer knowledge: a lack of understanding of fair trade rules and principles may lead beneficiaries to underestimate the positive impacts of fair trade
- the number of years of affiliation of the producers to fair trade

## What you should remember...

**Figure 12 – Main positive impacts of FT on producers & their families**

(No. of studies that mention the impact)



### Many positive impacts may be highlighted

- As expected, fair trade's most documented positive impacts concern prices and incomes (total income and security of income).
- Other positive impacts of fair trade include: a better access to credit, a higher level of productive investments by affiliated producers and households, and the improvement of product quality.

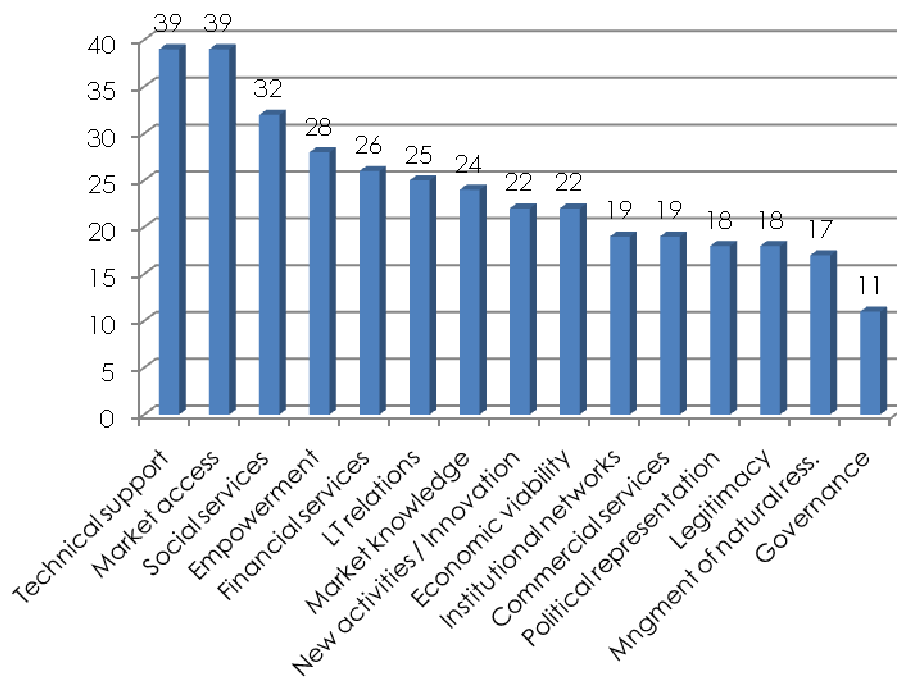
### However...

- 19 studies out of 31 (60%) show that fair trade may generate inequalities or amplify existing inequalities at the local level.
- The studies show mixed results as far as the situation of women is concerned.
- Temporary wage workers benefit the less from the expected positive impacts of fair trade.
- The impact of fair trade on the environment must be addressed more seriously if one wants to distinguish the effects of fair trade from those of other certification schemes.

### The impacts of fair trade on producer organizations

The ability of fair trade to help structure the producer organizations and strengthen their organizational capacities is well recognized. Conversely to the studies that focus on producers and their families, the results for producer organizations are both more positive and less controversial.

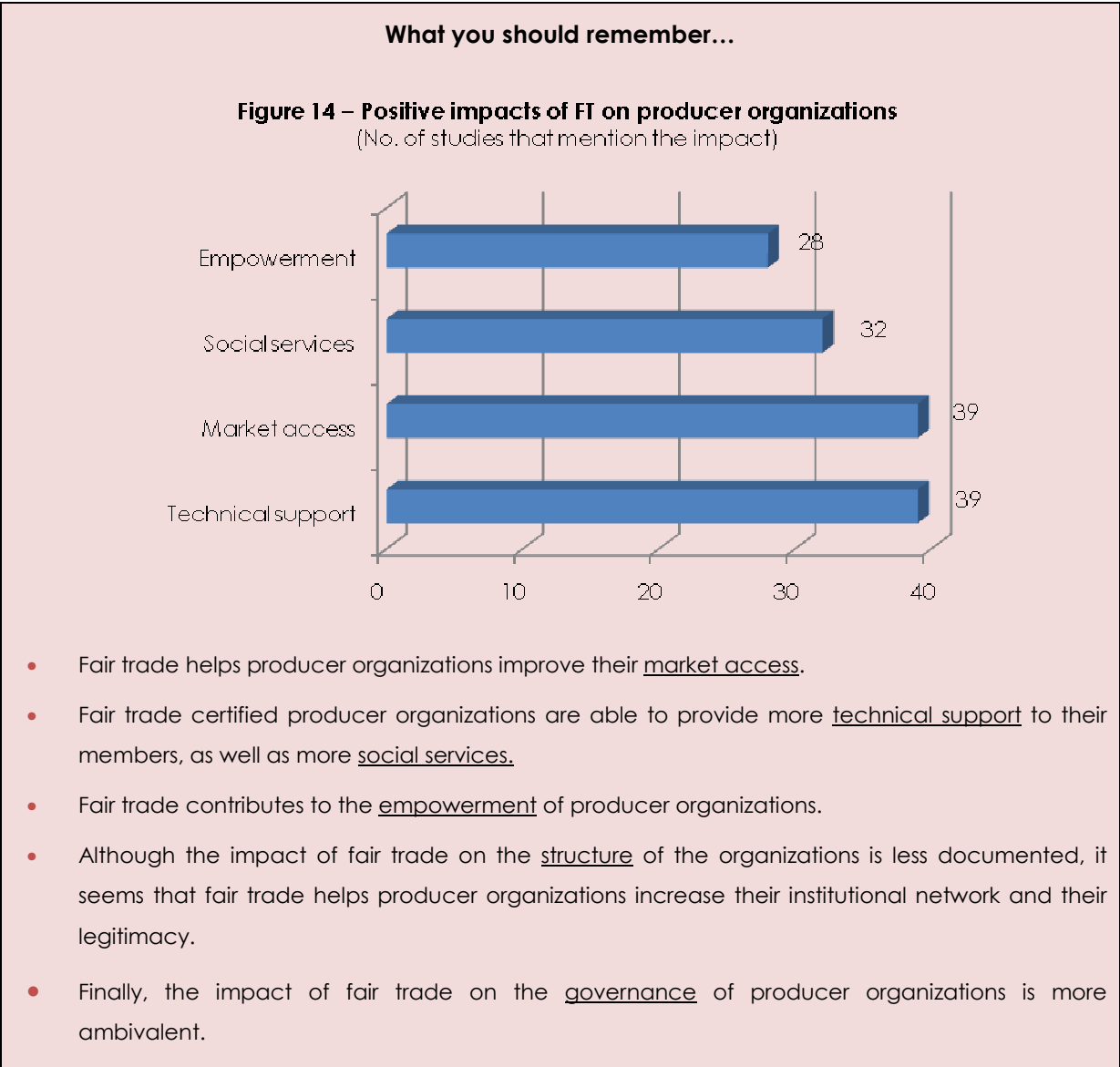
**Figure 13 – Positive impacts of FT on producer organizations**  
(No. of studies that mention the impact)



Not only does fair trade help producer organizations improve their access to (and their understanding of) international markets, it also helps them provide their members increased technical support (Figure 13). Other benefits include the provision of social services – through the fair trade premium – that enables to improve the education and health status of the producers, their families, and the community as a whole. Many studies show that fair trade helps producer organizations offer financial services to their members. This is an important activity, especially in countries where financial institutions have withdrawn from the farming sector. Fair trade also indirectly empowers producer organizations by strengthening their organizational capacities and their economic and financial viability. Finally, fair trade provides producer organizations with incentives to innovate and diversify their offer of products and services, and to develop new activities (processing, packing, retail). The positive impact of fair trade on the representation of producer organizations in institutional networks, on their political representation and on their legitimacy is also mentioned by several studies. Out of the 24 studies that mention the impact of fair trade on the governance of producer organizations, only 11 find a positive impact.

The studies show that fair trade will have a more positive and more diverse impact: (a) on producer organizations that are simultaneously supported by NGOs or by specialized trade partners (fair

trade rather acts as a catalyst to attract related projects) and (b) on economically efficient organizations. These results are closely related to the weight of fair trade at the local level.



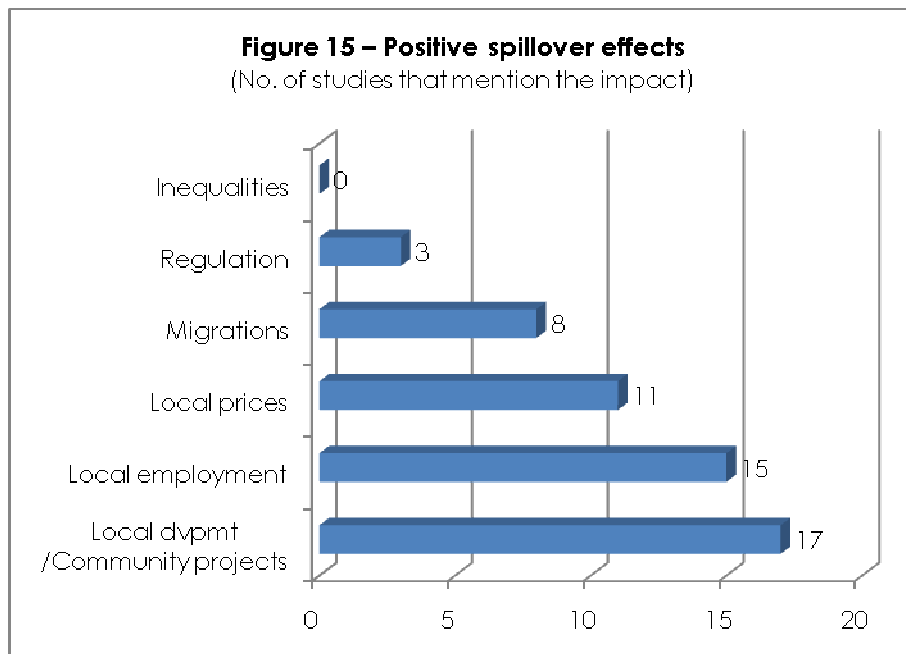
**Spillover effects of fair trade**

Under some conditions, the impacts of fair trade may extend beyond its intended beneficiaries (producers and producer organizations). This type of impact, however, is very poorly documented by the studies.

Figure 15 shows that fair trade is likely to have a positive impact on the social and economic development of the community through the fair trade premium. This impact will of course be closely related to the ability of the organization to decide democratically how the premium will be used. Several studies stress the positive impact that fair trade may have on local prices (especially

in areas where competition between buyers is harsh) and a positive impact on local employment opportunities.

The impact of fair trade on rural exodus and on migrations is slightly more controversial, although 8 studies emphasize a positive impact on migration. Similarly, it is quite difficult to affirm that fair



trade is an accurate instrument of regulation. The few studies that address this issue produce very different results. Finally, fair trade seems unable to reverse the trend in terms of inequalities both at the local level

and within value chains. In some cases, fair trade may even exacerbate existing inequalities.

### What you should remember...

- The indirect impacts of fair trade are not much studied.
- 17 studies emphasize a positive impact of fair trade on local development and the implementation of community projects.
- 15 studies show that fair trade has a positive impact on local employment opportunities and local wages.
- 11 studies emphasize positive spillovers of fair trade on local prices (11/13).
- The impact of fair trade on migrations and rural exodus is more ambivalent: in 2/3 cases, fair trade reduces rural exodus and the number of migrants per household.
- 3/6 studies stress a positive impact of fair trade on market regulation.
- None of the 17 studies that question the impact of fair trade on inequalities highlight a positive impact.

## 4. Conclusions & Recommendations

### What have we learned?

The three following tables synthesize the main results of the survey. Each table presents: **(a)** the percentage of studies that highlight a positive impact for a given criterion; **(b)** the percentage of studies that highlight a negative impact for a given criterion; **(c)** the percentage of studies that cannot conclude or measure no impact for a given criterion; and finally, **(d)** the coverage ratio (i.e. the ratio between the number of studies that observe a given criterion and the total number of studies).

**Table 1 – Impacts of FT on the producers and their families**

		Positive	Negative	Null	Coverage Ratio
<b>Production</b>	Volumes	64%	4%	32%	33%
	Labour Productivity	55%	9%	36%	14%
	<b>Quality</b>	96%	0%	4%	37%
	<b>Diversification</b>	43%	37%	20%	39%
	GAPs	83%	3%	14%	38%
	Certification	92%	0%	8%	34%
<b>Monetary and non monetary well-being</b>	<b>Total Income</b>	64%	4%	32%	74%
	Evolution of Income	67%	7%	26%	20%
	<b>Sales</b>	91%	0%	9%	30%
	<b>Prices</b>	85%	2%	13%	71%
	<b>Inequalities</b>	13%	59%	28%	42%
	Living/working conditions	65%	0%	35%	45%
<b>Vulnerability</b>	Risk	62%	10%	28%	28%
	Securing Income	86%	0%	14%	47%
	Food Security	53%	12%	35%	22%
	Land Security	50%	0%	50%	8%
<b>Savings &amp; Investment</b>	Access to credit	85%	0%	15%	45%
	Productive Investment	88%	3%	9%	43%
	<b>Non Productive Investment</b>	91%	0%	9%	29%
<b>Empowerment</b>	Knowledge	45%	21%	34%	43%
	<b>Recognition/Self-esteem</b>	95%	0%	5%	26%
	Identification to the group	71%	14%	15%	37%
	Participation/Decision	71%	12%	17%	22%
	Gender	32%	18%	50%	37%
	Network	100%	0%	0%	12%

64% of the studies that assess the impact of fair trade on the total income of the farmers highlight a positive impact. This result is all the more significant as this criterion is one of the most observed in our literature (mentioned by 74% of the studies). Similarly, fair trade also has a well documented and positive impact on prices (Table 1).

As far as less documented criteria are concerned, fair trade appears to have a very positive impact on: product quality, the volumes of sales and non productive investment, and farmer self-esteem and social recognition.

The main negative impacts concern diversification and inequalities. Indeed, although only 42% of the studies mention the impact of fair trade on inequalities, this impact is negative in 59% of the studies. This result shows that the exacerbation of inequalities is a negative side effect that must be taken into account. A similar result applies for the impact of fair trade on diversification (Table 1).

**Table 2 – Impacts of FT on producer organizations**

		Positive	Negative	Null	Coverage Ratio
<b>Structure</b>	Governance	48%	13%	39%	30%
	Political representation	86%	5%	9%	28%
	Legitimacy	67%	15%	18%	36%
	Institutional network	79%	13%	8%	32%
<b>Activities</b>	<b>Technical support</b>	95%	0%	5%	54%
	<b>Financial services</b>	90%	0%	10%	38%
	<b>Commercial (trade related) services</b>	86%	9%	5%	29%
	Social services	82%	8%	10%	51%
	Mngmt of natural resources	81%	0%	19%	28%
	New activities / innovation	100%	0%	0%	29%
<b>Results</b>	<b>Market access</b>	85%	4%	11%	61%
	Market information/knowledge	86%	7%	7%	37%
	<b>Empowerment</b>	82%	9%	9%	45%
	Financial & economic viability	85%	8%	7%	34%
	Long term relationships	93%	0%	7%	36%

As previously mentioned, the studies that focus on the impact of fair trade on producer organizations converge more. These studies show that fair trade greatly improves the access of producer organizations to international markets (positive impact in 85% of the studies with a high

coverage ratio). It also strengthens the organizational capacity of producer organizations by improving the quality of the services (technical support, financial, trade related, and social services) provided by these organizations to their members.

Long term partnerships with trade partners enable fair trade organizations to access reliable market information and to better understand how international markets operate. This in turn increases their global level of empowerment and their bargaining power, which may be important when negotiating with actors on the conventional market.

Finally, although producer organizations that are affiliated to fair trade improve their legitimacy towards their members and towards other actors (e.g. other producer organizations, decision makers, public administrations, NGOs) governance problems remain. The principles of democratic, transparent, and participatory governance are often difficult to implement, even within fair trade certified organizations. Higher inequalities are often a by-product of fair trade.

**Table 3 – Indirect impacts of FT**

		Positive	Negative	Null	Coverage ratio
<b>Indirect impacts</b>	Local prices	92%	0%	8%	16%
	Local employment	83%	6%	11%	24%
	Local development/ community projects	61%	21%	18%	37%
	Migrations	67%	0%	33%	16%
	Regulation	50%	0%	50%	8%
	Inequalities	0%	71%	29%	22%

Finally, indirect or effects are less documented in the studies on the impact of fair trade and are therefore more difficult to interpret. However, three main positive impacts are highlighted by the studies: 83% of the studies that mention this impact show that fair trade increases local employment opportunities (administrative jobs at the producer organization, technical jobs in the processing and packing units, etc.); 61% of the studies that mention this impact show that fair trade spurs the development of other community projects aimed at improving the social and/or environmental conditions (cf. management of the social premium); and finally, 92% of the studies that mention this impact show that fair trade has a positive impact on local prices (however, only 16% of the studies mention this impact).

The impact of fair trade in terms of reduced migration flows is much less clear: two-thirds of the studies stress a positive impact, one-third of the studies are inconclusive, and the number of studies that address this issue is very small. Finally, fair trade is likely to exacerbate local inequalities (negative impact in 71% of the studies that mention this impact) by privileging some groups of producers over the others, or by confining the benefits of fair trade to a small group of people. These results confirm those obtained at the producer level and call for a better understanding of the impacts of fair trade on local inequalities.

### **New areas of investigation**

There seems to be a quite general need to re-orientate future impact studies towards new areas, sectors, actors, issues, etc. Here are some recommendations to help focus on some unexplored issues.

#### ➤ New geographical settings: West Africa & comparative studies

While Africa is quite well represented in the impact studies, the balance is tilted towards East Africa. This may be explained by the fact that fair trade initiatives in West Africa are still quite young and by the fact that many fair trade products from West Africa (cotton, shea butter, handicraft) are not fair trade certified. In Asia, the gap between the development of fair trade and the number of impact studies carried out in the region is all the more surprising as Asian fair trade is quite well rooted and diverse (rice farmers in Thailand, tea plantations in Sri Lanka and India, handicraft in Bangladesh, sugar cooperatives in Philippines, etc.). One of the main arguments for developing impact studies in both of these regions is to challenge our views of the role played by producer organizations: not all POs look like or operate the way they do in Latin America, not all of them are as old, politicized, or involved.

It could be interesting to develop impact assessment studies for a same product (or value chain) simultaneously in various continents. This should enable to better spot local specificities (and therefore to integrate them into fair trade standards) and whenever possible to spot key determinants of success (or failure) that may be common to several initiatives.

#### ➤ New sectors: handicraft & textiles, processed products

The handicraft and textile sectors are surprisingly ignored, although they provide incomes and employment to many people who belong to the poorest population groups (women, children,

disabled workers, jobless, etc.). Moreover, it could be of interest to know more about fair trade's ability to transform the textile sector, which is often blamed and shamed because of abusive and exploitative labor practices. Analyzing fair trade experiences outside the agricultural food sector (e.g. in the cotton-textile sector) could prove interesting, especially since such activities might lead to the development of downstream handicraft or semi-industrial activities (e.g. weaving and dyeing) and hence to value adding activities. This could also help improve our understanding of the impact of fair trade in transformative activities involving several industrial stages (the same could be said of food processing activities), while increasing the knowledge base about fair trade in West Africa.

Similarly, processed products are also largely ignored by the studies, although producer organizations are increasingly involved in the transformation of their products as a result of fair trade. Processed fair trade products today include jams, dried fruits, juices, etc. This evolution is an opportunity since it enables a larger share of the value added to remain within producer countries. It is also a challenge insofar as it raises the issue of coordinating related activities (when the producer organization does not process itself).

#### ➤ New units of analysis: plantations & wage workers

Still very few studies focus on the impacts of fair trade within plantations and should be a priority research area in the future. Ruben *et al.* (2008) show that fair trade certified plantation workers are globally satisfied by their working conditions. Their wages are generally based on national regulations and they often receive complementary benefits (e.g. health insurance, participation to scholarship fees). The studies in our survey raise the question of the ability of fair trade to significantly improve the structure of worker organizations/unions within the plantations.

Another blind spot is the situation of temporary and permanent wage workers employed by smallholders (e.g. Haitian banana pickers). Not only is this highly vulnerable population hardly ever studied, it is hardly covered by fair trade standards.

#### ➤ New issues: value distribution, the environment and spillover effects

There are very few studies on the distribution of value within fair trade value chains. The creation and the distribution of value are major issues for fair trade. To answer the question of how value is distributed within fair trade (and competing) chains, it could be interesting to privilege value chains that involve local processing activities.

Better take into account the impact of fair trade on the environment. Environmental issues should be better studied, which involves tackling the problem of multiple certifications.

As highlighted, although there seem to be some externalities/spillover effects related to fair trade, we cannot draw any conclusion because existing studies come to quite different conclusions and because their number is too small. Externalities/spillover effects are likely to be quite important effects, since they go beyond the mere framework of intervention and benefit to larger populations than the intended beneficiaries (*i.e.* the affiliated farmers). Namely, the following externalities should be further investigated: on local employment (opportunities and incomes); on local prices; on rural exodus and migration flows and strategies.

These new areas of investigation are likely to bring about new methodologies of research.

### **New fair trade practices...**

Not only does this synthesis provide a wealth of insights in how to pursue research efforts, it may also help fair trade operators improve their own practices.

#### ➡ Better take into account the inequalities created or amplified by fair trade

Several studies denounce such inequalities that may take a variety of forms: between affiliated and non affiliated producers, between members and leaders of producer organizations, between men and women, etc. Such inequalities could be reduced by implementing fair trade initiatives at the community level and in a more concerted way (Lemay, 2006). At the level of producer organizations, this could involve redefining the role and rights of the leaders who are sometimes tempted to control the resources (financial, cognitive) generated by fair trade to the detriment of the community.

#### ➡ Better inform the members of fair trade certified producer organizations

Many studies highlight the positive impact of fair trade while deploring its limits related to the lack of knowledge most producers have of fair trade itself. Directly linked to the previously mentioned issue of inequalities, this problem raises the issue of democracy within producer organizations. This might involve a series of measures including the definition of more relevant and more operational governance criteria and redefining the participation of women in fair trade affiliated organizations.

## ➤ Improve the governance of fair trade certified producer organizations

Better understand the role and the performance of producer organizations in a position of monopsony towards their members.

End what Langis (2006) calls: "a vague and arbitrary application of the concept of non discrimination on the behalf of FLO."

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