



An ISO norm on Fair Trade?

April 2007

ISO's Consumer Policy Committee (COPOLCO) adopted a resolution in its May 2006 plenary meeting inviting Consumers International to develop a proposal for new technical work in Fair Trade, including certification, for consideration at the next meeting of COPOLCO in May 24-25, 2007. In consequence, the French Standard Association (AFNOR) and Consumers International are spearheading an initiative to develop an international standard on Fair Trade within the ISO (international Organization for Standardization).

This initiative aims at addressing confusion among consumers due to the proliferation of ethical trading initiatives. Fair Trade's success - with growth rates of 20% - 30% over the last 6 years - has been accompanied by a growing interest of consumers in ethical purchasing and has resulted in the development of many ethical and sustainable trading initiatives.

The Fair Trade community¹ recognizes and supports the need to protect consumers against misleading ethical and "fair" claims and the need to differentiate between ethical approaches and conventional trade. But we believe ISO is not the appropriate scenario to address the confusion of the multitude of new initiatives in the marketplace.

An ISO norm is not the best instrument to address consumer confusion

Global Fair Trade standards and certification mechanisms exist for both products and Fair Trade Organizations², and have achieved a high level of credibility. However, Fair Trade achievements are not the result of the development of these standards. They are the result of consumers' support to Fair Trade's pioneer approach in which the standards are a tool -and not an end itself- to ensure that trade helps to fight poverty and leads to sustainable development.

To foster market access under fair conditions for marginalized producers and disadvantaged workers, standards are combined with producer support, awareness raising, campaigning and flexible and multi-stakeholder governance systems that are able to respond and still be meaningful to the different realities and conditions of the nearly 70 countries Fair Trade Organizations work in.

The Fair Trade community acknowledges the relevance and added value that ISO has brought to many issues, but we do not believe that it can develop an appropriate structure to capture the development approach and to develop and implement an ISO

¹ The four main international Fair Trade associations [FLO-I](#) (Fairtrade Labelling Organizations International), [IFAT](#) (International Fair Trade Association), [NEWS!](#) (Network of European Worldshops) and [EFTA](#) (European Fair Trade Association) bring together over one million Fair Trade producers, 20 national labelling initiatives, more than 200 specialized Fair Trade import organisations, 3000 worldshops and several thousands volunteers.

² Standards and monitoring systems for Fairtrade labelled products are available at www.fairtrade.net and for Fair Trade Organizations at www.ifat.org

norm on Fair Trade that would still be linked to the Fair Trade values that consumers support nowadays: equity in relationships, dialogue, transparency and respect.

The Fair Trade concept follows a unique and ambitious approach to give producers and workers a fair deal in international trading relations. Marginalized producers and workers are among the weakest sectors in developing countries and to leverage their empowerment and development they are core actors in the development and decision-making of Fair Trade. Within ISO's processes, marginalized producers and workers in developing countries are not among the key stakeholders and do not have the resources needed to engage actively, however they would bear the consequences of this initiative.

We also doubt that an ISO norm would achieve its main purpose to reduce consumer confusion. Given that it is highly possible that an ISO norm will denote a lower standard for Fair Trade, the more ambitious and well established standards would then co-exist with a lower ISO-standard. Therefore, there is a risk that the development of an additional ISO standard would even increase confusion among consumers.

In brief, since producers and workers in the south would suffer negative consequences of this initiative while the confusion of consumers in the north would not be addressed, the Fair Trade community strongly rejects this initiative.

Improving the dialogue with Consumers organizations and other interested stakeholders

Today millions of producers and workers continue to live in desperate poverty and earn their living under unacceptable conditions. Over the last sixty years, Fair Trade has been proven to be a successful tool for the empowerment and development of marginalized producers, workers and their communities and therefore needs to grow in order to create additional market opportunities and meet the expectations of those producers and workers who want to join Fair Trade and benefit from fair trading conditions.

To address this challenge and at the same time recognizing the need to protect consumers against misleading ethical and "fair" claims, the Fairtrade Labelling Organizations International (FLO-I) and the International Fair Trade Association (IFAT) invite interested stakeholders to participate in a dialogue on how to improve transparency, accessibility and participation within Fair Trade as soon as possible.

This dialogue will allow us to work together to improve Fair Trade, to make it a more open system, more transparent for consumers and with a wider participation from other sectors of the society, and at the same time strengthen Fair Trade contribution to sustainable development and poverty reduction.

We highly welcome to hear of your interest in such dialogue and cooperation. If you are interested in this proposal and would like to work together with the Fair Trade community please contact the Fair Trade Advocacy Office (contact details below).