

**CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**

**FACULTY OF ECONOMICS AND MANAGEMENT**

**DEPARTMENT OF ECONOMICS**



**BACHELOR THESIS**

**FAIR TRADE: FAIRTRADE TOWN OF LITOMĚŘICE**

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**CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**

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# **BACHELOR THESIS ASSIGNMENT**

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Agricultural Economics and Management

Thesis title

**Fair Trade: Fairtrade město Litoměřice**

## **Objectives of thesis**

Main goal of the thesis is to introduce the reader the concept of Fair Trade and the concept of Fairtrade Towns. A research was conducted in Fairtrade Town of Litoměřice and had two parts; empirical probe (interview) and illustrative quantitative research (surveys). This research was conducted in order to investigate the process of application for status of Fairtrade Town and to show how the inhabitants of Litoměřice perceive Fair Trade in general and whether has been their attitude changed since the Litoměřice has become Fairtrade Town.

## **Methodology**

Empirical probe (interview with project manager of Litoměřice and chief of the local controlling Fairtrade group in one person)

Illustrative quantitative research (surveys for inhabitants in the town of Litoměřice)

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STATUTORY DECLARATION

I, THE UNDERSIGNED, DECLARE THAT THE THESIS “FAIR TRADE: FAIRTRADE OF LITOMĚŘICE”  
IS WHOLLY MY OWN WORK, AND ONLY SOURCES I USED ARE LISTED IN THE REFERENCES.  
In Prague, March 1<sup>st</sup>, 2012.

.....

Josefina Smrčková

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## FAIR TRADE: FAIRTRADE TOWN OF LITOMĚŘICE

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### FAIR TRADE: FAIRTRADE MĚSTO LITOMĚŘICE

#### SUMMARY:

The goal of this bachelor thesis is to introduce the concept of Fair Trade and concept of Fairtrade Towns. In order to investigate the influence of the Fairtrade Towns on public, the both quantitative and qualitative researches were conducted in the Fairtrade Town of Litoměřice.

The thesis is divided in two parts. The theoretical part describes the principles of Fair Trade and introduces all important terms connected with Fair Trade and defines them.

The practical part investigates the process of preparing the application form for Fairtrade Towns and further procedures and it also investigates the influence of the status of Fairtrade Town on inhabitants and their attitude to Fair Trade.

#### SOUHRN:

Cílem této bakalářské práce je představení konceptu Fair Trade a konceptu Fairtrade měst. Ke zjištění vlivu Fairtrade měst na veřejnost byl proveden kvalitativní i kvantitativní výzkum ve Fairtrade městě Litoměřicích.

Bakalářská práce je rozdělena do dvou částí. Teoretická část popisuje principy celého hnutí Fair Trade, představuje důležité pojmy spojené s Fair Trade a definuje je.

Praktická část zkoumá proces přípravy žádosti o udělení statusu Fairtrade města a další postupy. Také zkoumá, jaký má status Fairtrade města vliv na obyvatele města a jejich přístup k Fair Trade.

#### KEYWORDS:

Fair Trade, Fairtrade town, Fairtrade, free trade, ethical consumerism, the Czech Republic, Litoměřice

#### KLÍČOVÁ SLOVA:

Fair Trade, Fairtrade město, Fairtrade, volný obchod, etický konzumerismus, Česká republika, Litoměřice

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## 1. INTRODUCTION

„Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers- especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigns for changes in the rules and practice of conventional international trade. Fair Trade products are produced and traded in accordance with these principles- wherever possible verified by credible, independent assurance system.“ (European Fair Trade Association, 2006)

This is the official and currently accepted definition of Fair Trade which has been agreed by the FINE- an informal association of four international fair trade networks- Fairtrade Labelling Organizations International (FLO), International Fair Trade Association (now the WFTO-World Fair Trade Organization), Network of European Worldshops (NEWS!) and European Fair Trade Association (EFTA).

This thesis introduces not only concept of Fair Trade and other concepts of trading, but introduces concept of Fairtrade Towns and describes it in detail. Except the theoretical part this thesis contains also the practical part. The methodology of the practical part is described in the following chapter. The both quantitative and qualitative researches were conducted in the Czech Fairtrade Town of Litoměřice in order to investigate the concept of Fairtrade Towns and its impacts on people's perception of Fair Trade. In the last chapter of this thesis the results are presented and discussed.



## 2. THESIS OBJECTIVE AND METHODOLOGY

### 2.1. OBJECTIVES AND HYPOTHESES

The purpose of this thesis is to investigate the concept of Fairtrade Towns and Fair Trade in general. The basic terms, definitions and issues are introduced in the theoretical part and followed by the practical section.

In order to investigate the processes in Fairtrade Town from the inside, the research was made in Fairtrade Town of Litoměřice.

Objectives are:

- Investigation of the process of applying for status Fairtrade Town in order to describe the process and reveal difficulties.
- Conducting an illustrative quantitative research with the help of questionnaires in Litoměřice in order to consider the influence of town's activities connected with Fair Trade on the inhabitants' awareness of Fair Trade.

Hypotheses are:

- The status of Fairtrade Town increases the inhabitants' awareness of Fair Trade.
- The status of Fairtrade Town increases the sales of Fair Trade products in the town.

### 2.2. METHODOLOGY

At first the secondary data were gathered in order to introduce and clarify all important terms and definitions. The various concepts connected with Fair Trade were described and evaluated.

The methodology of practical part comprises two parts:

#### 1. Empirical research

The interview with the project manager of the town and the chief of the local controlling group in one person Ing. Marcela Trejbalová was made on 21<sup>st</sup> of November 2011. The

interview passed face to face and was recorded on dictaphone. The interview was empirically researched and the conclusions were made.

## 2. Illustrative quantitative research

On 5<sup>th</sup> of January 2012 the research in the streets of Litoměřice was conducted. One hundred people with permanent residence in the town of Litoměřice were asked several questions. The answers were then evaluated and the graphs were created.

### 2.3. SWOT ANALYSIS OF FAIRTRADE TOWN

Strengths:

- Based on Fair Trade- traditional and reliable concept
- Relatively low requirements by granting organization
- Social and voluntary agencies interest
- Low initial and maintenance costs

Weaknesses:

- Low public interest
- No motivation of participants

Opportunities:

- Social trend in charity
- Grants from EU

Threats:

- Disinterest of cooperatives
- Low demand for Fair Trade products

### 3. LITERATURE REVIEW

#### 3.1. FAIR TRADE

At the beginning it is necessary to specify difference between Fair Trade and Fairtrade, which are often confused for the public.

Fair Trade could be defined as „a movement which strives for fair treatment for farmers. In a fair trade agreement, farmers, who in other situations might be more susceptible to the will of the purchaser, will negotiate with the purchasers in order to receive a fair price for their products. Farmers who engage in fair trade also aim to pay their workers a fair price, and engage in environmentally-friendly practices“ (Business Dictionary, 2011a).

Fair Trade is basically a concept of trade where everyone in the supply chain benefits, including producers, suppliers, vendors and consumers. Fair trade has its own rules which are defined by the World Fair Trade Organisation (WFTO). Fair trade products have no mark, but they have been created according to rules of WFTO.

Fairtrade is something different. All products with the Fairtrade Mark are called Fairtrade. These products meet strict criteria set by Fairtrade Labelling Organisation (FLO) and they are guaranteed by Fairtrade certification (Blogging Fair Trade, 2011).

Fair Trade tries to help small, often disadvantaged, farmers from developing countries and provides them better conditions for work and production. It guarantees that producers get enough money for covering costs and leaving margin. It also offers prepayments on request, which provides certainty and option of planning to the producers. On the other hand, final consumer is also satisfied. Although he pays little bit more for the product, he is guaranteed that product had been made under certain conditions.

Today the Fair Trade concept is a global movement. The organisation covers more than million producers from more than 50 countries in the world and its products are sold worldwide (EFTA, 2006). Increasing sales of Fair Trade products confirm the growth of ethical consumers (Fletcher and Wallop, 2007). The question is if Fair Trade really helps, or if it just derives benefit from ethical consumers. It is important to realize that we have no explicit evidence that Fair Trade makes trade truly fair.

In the following parts of this thesis the Fair Trade will be further described to enable the reader to understand its historical context, aims and principles.

### 3.1.1. HISTORY

The origins of Fair Trade are not exactly known, although during 1960s and 1970s Non-Governmental Organizations (NGOs) and also individuals in developed countries perceived need for some kind of fair marketing. It was obvious there is a need of some organization, which would provide advice, assistance and support to small, often disadvantaged, producers. At first many Southern Fair Trade Organizations were established, later they were connected with new organizations from the North (EFTA, 2006).

The growth of Fair Trade (in the early days called alternative trade) has been associated primarily with development trade. With worsening of conditions in developing countries Fair Trade grew and developed. Its founders were often the large agencies (development, religious) mostly in European countries. These non-governmental organizations have played important role in establishing Southern Fair Trade Organizations. These organizations organized producers and production, provided services to producers (social services, consulting) and provided export to suppliers in the North. At the beginning Fair Trade Organizations traded mostly with producers of handcrafts because of their contacts with missionaries. Crafts provide „supplementary income“ to families, because they are very important women-led households with limited employment opportunities. Sales of crafts through Northern Fair Trade Organizations were very successful (EFTA, 2006).

In 1973 the first Fair Trade coffee from Guatemala farmers was imported in the Netherlands. This seemed like insignificant deal, but now, almost 40 years later, we know that the Fair Trade coffee is the most sold branch of the Fair Trade platform. After coffee another food became common part of Fair Trading, such as tea, cocoa (chocolate), sugar, wine, nuts or fruit. Sometime later the spectrum of Fair Trade products was expanded by non-food products like flowers or cotton (EFTA, 2006).

Fair Trade progressed during 1980s and in 1988 the new label was established in the Netherlands. This label called „Max Havelaar“ and gained unexpected popularity and covered 3% of a market within one year (EFTA, 2006).

In 1997 Fairtrade Labelling International (FLO) was created. This worldwide association set standards for Fair Trade and developed system for certifying production and auditing trade. Meanwhile IFAT has developed system for monitoring Fairtrading organizations and tried to strengthen the credibility of the concept and organizations. In January 2004 the Fair Trade Organization Mark was launched. Since then FLO and IFAT have been negotiating about developing some common mark. Since this period we have been talking about Fair Trade as mainstream business too (EFTA, 2006).

During the end of 20th century many organizations were created, except IFAT (since 1989, global network of almost 300 organizations) and FLO (since 1997) also EFTA (since 1987, association of 11 largest importing organisations in Europe), COFTA, KEFAT or NEWS!.

In 1998 after many meetings and negotiating was created FINE by joining FLO, IFAT, NEWS! And EFTA (the name is created by their first letters). The FINE connected all networks and became the most important organization in Fair Trading (EFTA, 2006).

### 3.1.2. AIMS

Asociace pro Fairtrade (Czech association for Fair Trade) (2004) describes six main goals of Fair Trade. The first one is to help living conditions of producers by providing easier access to the market and guaranteed prices. Another purpose of Fair Trade is support of disadvantaged producers especially women and traditional nations and abuse of child labour. Then enlightenment among producers to teach them how to take advantages of their purchasing power. Fair Trade also tries to create model of trade partnership which is based on dialogue, transparency and respect and leads campaigns for changes in rules and practices in international conventional market. The last aim of Fair Trade is to protect human rights by promoting of social justice, protection of environment and economical assurance.

Almost every organisation involved in Fair Trade has its own definition and key points. The brief summary of topics Fair Trade is involved covers these nine points. Fair Trade is interested in every of these issues and tries to find optimal solution.

1. Creating opportunities for economically disadvantaged producers
2. Transparency and accountability
3. Capacity building
4. Promoting Fair Trade
5. Payment of a fair price
6. Gender equity
7. Working conditions
8. Child labour
9. The environment

Fair Trade is basically new model of relationship producer- consumer. It is an alternative attitude to the conventional international trade where the production and consumption is happening reverse. In this model the producer is advantaged (Ledvina, 2008).

### 3.1.3. SALES OF FAIR TRADE

The largest Fair Trade market was traditionally in the United Kingdom, but United States overtook this supremacy in 2006 (FTF, 2008).

The UK represents the most developed Fair Trade market in the world as well as the second largest. Sales have increased by 30 times since 1998. Recent evidence also suggests that despite worsening global economic conditions, the growth of Fair Trade sales are going to be stable or even increase. There are now 17 certified Fair Trade product categories in the UK covering over 4,000 products. Fair Trade products now hold significant market shares in several categories including a 25% of all bananas and 20% of roast and ground coffee (5% of the total coffee market). So as we can see the most sold

commodity in the UK are bananas, then coffee and tea stands on the third place. According to Lamb (2008) there are 380 companies with licence to sell Fair Trade in the UK cooperating with 384 producer groups in the South.

The Fairtrade Foundation has set out ambitious plans for the next year in terms of market development. This plan includes many aims, for example £2 billion of sales per year by 2012, share at least 50% of market in a minimum of three product categories, at least 10% market share in a further six categories (FTF, 2008).

The Czech Republic has also joined countries with market of Fair Trade products. According to the data of Czech Association for Fair Trade the resale of Fair Trade products achieved 50 million CZK in 2009 whence 40 million CZK was made by members of Czech Fair Trade Association. The resale increased by 22% compared to the previous year. If we compare data from 2005 and 2009, we find out that consumption of Fair Trade products in Czech Republic raised by 16 times. This increase was caused by entering large supermarkets and companies into the market. Czech used to buy Fair Trade products in shops with organic goods, but since the large supermarkets (Makro, Tesco, Globus etc.) have been offering them too, people started to buy them there. The most favourite product is traditionally coffee making 36% of all sold Fair Trade products in 2009 (increase by 10% comparing to 2008). Another 22% cover category of cacao, chocolate and sweet stuff (28% in 2008) and 18% holds tea (also 18% in 2008).

The latest data about global consumption of Fair Trade products are from year 2009. In this year consumers spent for Fair Trade products about 3,4 billion Euro worldwide (Collen, 2010).

### 3.2. ETHICAL CONSUMERISM

If we try to understand why people buy products traded fairly it is necessary to admit that every single person behaves selfishly. Everyone of us wants to have good feeling about our behaviour. People with high living standards feel little bit guilty, because they know they have not deserve this standard, they were just born in better part of world. If their guilt is high enough they try to help less lucky people to increase their living standard. They can support charity, or they can do something they will also benefit from and one of the solution is Fair Trade. So they buy products which are fair traded and have good feeling

from this deal. But this feeling is, of course, compensated by higher prices of products. This kind of behaviour is described as “Ethical consumerism”. The consumption of ethical products is aimed at minimizing of the negative consequences of trade in terms of its social and environmental effects (Uusitalo and Oksanen, 2004). Except social sphere (human rights, politics) or environmental sphere (environment itself, sustainability) unethical trading could negatively affect also animals (animals testing, factory farming, encroach on animal rights), which is often neglected by people. Therefore consumption of products with an ethical component is a consumption of product that negatively affects neither man nor the natural world. The ethical consumerism movement is comprised of three types of consumer behaviour (Tallontire et al., 2001). Consumer action involves such behaviour as lobbying or direct action, negative ethical purchase behaviour involves not buying unethical goods (boycotting), and positive ethical purchase behaviour involves the consumption of goods with an ethical attribute. Buying Fair Trade products is an example of positive ethical purchase behaviour.

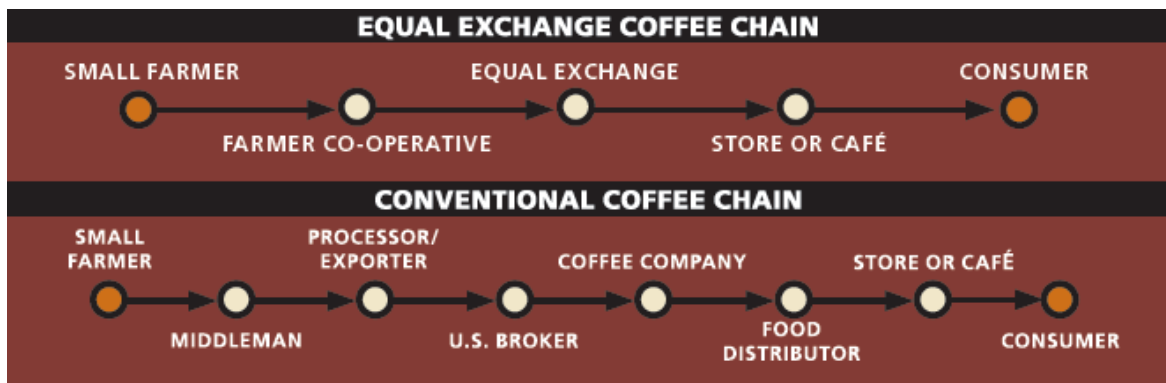
### 3.3. CONCEPT OF FAIR TRADE

Official website of the city of Media in Pennsylvania (2011), the supporter of this concept describes Fair Trade as a tool for reducing poverty in developing nations. It's a form of trade which creates valuable partnerships between producers in developing regions of the world and consumers in the north. Fair Trade guarantees that everyone in the supply chain will gain. Producers receive a minimum set price for their goods, economic development of their communities, financial and technical support, safe working conditions, , and educational opportunities for their children. Consumers receive high quality products made and traded fairly. By buying Fair Trade products consumers reduce child labour, poverty and dangerous work conditions.

Since Fair Trade actively promotes sustainable farming techniques, biodiversity, and animal habitat preservation, the whole planet and environment profit. In Fair Trade some parts of supply chain are advantaged (producers). Basically we can say farmers are usually dependent on natural conditions (influencing amount and quality of production) and demand (their sales and profit). In the case of low demand farmers produce more to sell more in order to have the same profit, but higher amount produced means higher supply



and therefore decrease of price. These farmers become part of some circle they cannot get out. In case of Fair Trade these troubles are excluded, farmers are guaranteed some floor price and they must not care about current demand. Also some parts of the supply chain are excluded in order to give the highest possible amount of money to the producer. It is often hard to exclude any middleman, but for example the organisation Equal Exchange (2011) which among others sell organic and Fairtrade products found a way how to manage it. In the scheme below there are two chains- equal exchange and the conventional exchange. As the reader can see, in the equal one two intermediaries are excluded and therefore the costs of final product decrease, or the higher margin from the final price goes to the producer. Equal Exchange believes that Fair Trade is not a charity, but process of fair exchange and tries to give producers as much as possible. And this scheme is also valid for the whole Fair Trade market. All Fair Trade products are produced by small farmers, then are given to farmer co-operatives who manage delivery to the Fair Trade distributors (in this scheme this part of chain is called equal exchange). Distributors distribute goods directly to stores (supermarkets, small shops) and cafés, where the goods is bought by customers and consumed.



Source: Equal Exchange, 2011, Fair Trade. <http://www.equalexchange.coop/fair-trade>

Fair Trade is sometimes characterised as being a third way between protectionism and free trade. Every of these concepts has its advantages and disadvantages and works well under proper conditions. Of course, in Fair Trade many questions occur: What is fair price? Does the higher price for producers make it fairer? Is it efficient? Does the higher price for producers cause over-supply? Maseland and De Vaal (2002) think that under certain conditions both protectionism and free trade work better than Fair Trade. The direct

donation is also claimed to be superior to Fair Trade. In one of the following chapter the concepts of protectionism and free trade will be described and compared to Fair Trade.

### 3.3.1. ADVANTAGES AND DISADVANTAGES OF FAIR TRADE

Fair Trade is a global movement and therefore obviously brings many benefits as well as many criticisms. In this chapter the reader will be introduced into most discussed topic in Fair Trading, the Minimum price guaranteed.

**Fair Trade Minimum Price** is price guaranteed to farmers. This price should cover costs of sustainable production and also provide funds for dignified livelihood. It is minimum price, but in case of increasing market prices, this price can increase as well (Windward Islands Farmers Association, 2011). This price should be always higher than the conventional one, but further in this thesis the reader will find out it is not always so. Small farmers are not able to compete with large producers who can sell for lower price. That is reason why Fair Trade guarantees them this price.

**Fair Trade Premium** is separate payment for another social or economic development in the producing community. It is up to producers' decision where and how this money will be invested. It is usually used for improvements in education, healthcare or other social facilities as well as for some projects enabling farmers to improve their productivity. These funds are not allocated to individual farmers, or some Fair Trade groups, but rather to regions or islands. This premium is called Social, because it is designed for purposes mentioned above. The Fair Trade groups discuss the use of the social premium and write proposals to the National Fair Trade Committees where they explain their intension with the fund. The National Fair Trade Committees develops national work plans every year based on the recommendations of the groups, send them to the groups back for another discussion and final approval.

Another premium is Organic, which is given if the funds are used for introduction or improving organic production. (Windward Islands Farmers Association, 2011).

According Fraňková (2007) who investigated among Columbian producers of coffee there is problem in setting the minimum price. The price is set one year in advance based on

current prices of coffee, but prices of coffee are very unstable. This trend began in 1989 when International coffee agreements limiting overproduction were cancelled. During several following days the price of coffee decreased by 25% and the price of coffee was about 0,6\$ per pound. Production costs are up to 0,9\$ per pound, so the farmers were in crisis. It is estimated that this crisis negatively affected approximately 125 million small farmers. Maybe that is the cause why many small farmers rather accept certainty of minimum price provided by Fair Trade than produce and sell on their own and risk. Fraňková asked farmers from seven different Columbian granges certified by FLO for advantages and disadvantages they have from Fair Trading. They all said that the minimum price is sometimes lower than the conventional price in the market. For example in 2006 in the grange ACOC they got 1,39\$ per pound. The conventional price were between 1,20\$ and 1,30\$ per pound but the following year increased above 1,40\$ although the minimum price stayed the same. The inflexibility of setting minimum price is often criticized, but for FLO it is hard to predict the prices which are, however, necessary for preparing contracts. Nevertheless the farmers admit the Fair Trade is comfortable certainty for them although they pay much money for certification. Of course, there are many companies certified by Fairtrade Labelling Organization which can sign contracts with farmers and these companies have different conditions and prices. Association for Fairtrade (2004), however, indicates the price of Coffee Arabica is sold in free market for 45-60 cents while Fairtrade guarantees fixed purchase price 1,26\$. For Coffee Robusta the price in free trade is according to their brochure 25 cents while Fairtrade pays 1,06\$. In addition Fairtrade provides advance payment up to 60% of negotiated amount. This document unfortunately does not tell the year the data are valid for or sources of these numbers. But it is interesting that data from the official Czech association are so different from data from Fraňková and were published within only three years.

Another problem is that all companies certified by FLO which make contracts with farmers set the prices in dollars, but all granges pay their liabilities in their domestic currency. Fluctuating rate of dollar means another instability.

But Fair Trade has also advantages which are likely social development than the price guaranteed to farmers. By social optimums farmers can improve their living standard. They can invest into education, build schools or buy facilities, improve healthcare by building

hospitals and hiring educated people or introduce organic farming which brings them higher profit. The concept tries to help people from developing countries in general, not just by paying them more money.

The fact that the money is not the main feature of Fair Trade is also confirmed by Fraňková. Conclusion of her interviews with farmers is that they are basically satisfied. The price guaranteed is sometimes lower than the market price, but Fair Trade provides them long-term contracts and fixed prices, therefore certainty, which is for farmers dependent on natural conditions and weather, is kind of luxury.

In this thesis was already mentioned that Fair Trade tries to increase margin of producer by excluding some middlemen from the supply chain. The fundamentals of this thought are right, but how does it work in reality, that is the question. In Fair Trade product goes through stages (producer->co-operative->distributor->store or café->consumer), but each of this stages costs lot of money and therefore decreases margin of small farmer standing in the beginning of the process. Although it could seem there is no reserve and this chain could not be reduced any more, there is way how to reduce it. Czech doubleshot s.r.o. is small company, but found better proceeding. Doubleshot's motto is "Coffee from farmer's hands". The company buys coffee directly from small farmers and gives them 25% higher price than Fair Trade guarantees. Delegates from the company must visit farmers they buy from at least once year and the coffee must be high quality (have at least 85 points according to Specialty Coffee Association of America cupping form). This company proves that the process of getting produced coffee to the customer could be done through only four stages, not five. The difference from Fair Trade supply chain is excluding of local co-operative who is replaced by distributor (therefore distributor manages two steps himself). But, of course, this system has some limitations because it would be very hard to manage it in large scale where Fair Trade operates.

Another issue which should be taken into consideration is limitation of producers. They sign contract with some Fairtrade Labelling Organization for, for instance, coffee and they cannot easily change their economic activity in the case of decreasing demand for coffee. Shape (2007) criticises concept of Fair Trade and considers it to be rather problem than a solution. He thinks it is much more advantageous to operate in free trade and adjust, or

change economic activities in order to meet the needs of the customers and maximise the potential income. He warns the Fair Trade is dangerous precedent for the protectionist economic policies of various countries or institutions (European Union). Shape explains that European Union undermines by its protectionist restrictions (through Common Agricultural Policy) the global markets and, of course, harms consumers. Alarming is also the fact that every year, hundreds of tons of food are destroyed in order to keep prices unnaturally high. He does not wonder that third world producers do not have opportunity to get decent prices and consumers decent wages.

### 3.3.2. COMPARISON WITH OTHER FORMS OF TRADING

In this part the concept of Fair Trade will be compared to concept of free trade and protectionism and the reader will be introduced to the main dilemmas of Fair Trading. According EFTA, European Free Trade Association (2007) the free trade could be described by concept of four freedoms. These are: free movement of goods, free movement of persons, free movement of capital and free movement of services. This trade must not have any regulations or restrictions, it is made by suppliers (sellers) and demanders (customers). This trade is given by suppliers and demanders, who interact and therefore determine the price of goods. Chances of all people are the same, everyone is not advantaged neither disadvantaged. It is up to people's skills whether they make good deal or not. According to Jaffe (2007) the free trade, where market regulates itself are all commodities (including labour and land) bought and sold on competitive markets, so when the price changes, the supply and demand are in the balance. He thinks this is the only way how to utilize all resources in the most efficient way possible.

Protectionism is described by Encyclopaedia Britannica (2011) as policy which protects domestic industries against foreign competition by import quotas, tariffs, subsidies and other restrictions. Many countries have implemented protectionism although all mainstream economists agree that the world economy benefits mainly from free trade. For example United States had a long history of protectionism. Some features of protectionist policies could also be seen in policies of European Union. Protectionism increases

domestic economy, but it is not fair to all intents and purposes. It decreases competition and quality of offered goods and services.

Simplified, Fair Trade tries to bring some advantages to producers (but unfortunately, these monetary advantages are sometimes barely noticeable or any at all), free trade gives equal chances to everyone who wants to make money and protectionism protects interests of domestic producers and vendors and provide them advantages in comparison to their foreign companions.

Fair Trade and protectionism have similar main features, primarily favouritism of minorities (producers or domestic producers and vendors). Free trade stand outside. In comparison with Fair Trade free trade is completely opposite view to trading, however, not all people engaging with this topic think these two types of trade are unambiguously opposites.

Fair Trade concept is a kind of paradox. It tries to help small farmers who are disadvantaged because it is hard to compete with “northern” countries in the agriculture. It tries to achieve social justice and rid of unjust terms of trade hurting these farmers. But Fair Trade utilizes the mechanisms of the markets which have created these injustices. The most important aim of Fair Trade is to return larger share of the consumer’s purchase price to the producer, farmer. This should be made by excluding some middlemen from the supply chain, because these intermediaries often take the highest amount of money, although they do not deserve it as much as, for instance, farmers do. The consumer pays higher purchase price because products traded fairly have to have some kind of certification, which guarantees some conditions the product was produced under. These conditions are various, it is always guaranteed minimum price given to producer, fair wages for labourers, and then there are other conditions, for example environmentally sustainable production practices, financial and technical assistance to producers or safe and healthy working conditions.

For example Fair Trade products are sold also in the countries which are members of European Union. European Union led 16 years plead with exporters of bananas from Latin America. These small producers were complaining because some producers of bananas from Africa, Caribbean and Pacific were advantaged by the EU. The problem was import

duty which was much higher for producers from Latin America than for the producers mentioned above. Finally the agreement was signed in 2009 and EU promised to decrease the import duty from 176USD per tonne to 114USD in 2016. 70% of bananas sold in the EU are from Latin America, so the decreasing of import duty will have significant impact for Latin producers (BNN, 2011).

This is the example of aforesaid paradox. Fair Trade wants to help small farmers to earn more from their production, but it ignores unjust conditions on the market they are not in its concept. They care only about “their” unjust conditions which are they improving. If we take into consideration that bananas are one of the most Fair Trade sold commodity, it seems that the Fair Trade does not care much about small producers.

Free Trade seems to be better and fairer solution, but it cannot be easily implemented for developing countries.

### 3.4.FAIRTRADE

Fairtrade belongs to a subgroup of Fair Trade. It is based on principles of Fair Trade, but the term is not so general. Fairtrade refers to products which are certified by Fairtrade Labelling Organization or to activities connected with these certified products. All products with the Fairtrade Mark are called Fairtrade. These products meet strict criteria set by Fairtrade Labelling Organisation (FLO) and they are guaranteed by Fairtrade certification (Blogging Fair Trade, 2011).

#### 3.4.1. AIMS

There are key aims of Fairtrade :

- Producer is guaranteed the minimal purchase price and is provided Fairtrade premium
- Pre-financing of producer
- Good relationships between trade partners for long-term

- Setting of clear minimum and other criteria and controlling if the conditions of trade are socially, economically and environmentally responsible

Therefore the producer who wants his products to be certified by FLO has to fulfil particular requirements, following from these standards and from general standards valid also for Fair Trade (Fairtrade International, 2011).

#### 3.4.2. CERTIFICATION

Fairtrade is built on international standards which are set by two important international organizations. The most important is Fairtrade Labelling Organizations International- FLO. They were founded in 1997 in Bonn, Germany. Organizations consist of 19 national entrepreneurships operating in 23 countries, three associations of producers and two affiliated organizations. FLO International owns an international organization FLO-CERT. FLO- CERT has competence to grant certificates. FLO is responsible for inspections and certification of producers in the frame of Fairtrade standards (ProFairtrade, 2011).

The certification could be granted to producers themselves and their products or to vendors who purchase products from producers. Both have to comply with the standards set by FLO. These standards are being completed and published at the website of Fairtrade International [www.Fairtrade.net](http://www.Fairtrade.net).

There are two groups of standards the producers have to meet in order to get certification; standards for small-scale producers and standards for hired labour.

In the group of standards for small-scale producers there are requirements related to products and they various products have various standards. Every group has its own document where the standards are described in detail. This document is divided into three section- social, economic and environmental development and has up to 10 pages. The products should be for instance grown without usage of aggressive pesticides or herbicides.

In the group of standards for hired labour the document is very similar but describes which standards should be complied with in order to provide sufficient conditions for hired labour, such as absence of discrimination, fair conditions of employment, safety of work



and protection of health and of course prohibition of child labour. (Fairtrade International, 2011).

Vendors have to comply with the standards as well. They have to pay to the producers the “minimal Fairtrade price”- provide at least verifiable production costs, pay “Fairtrade premium price”, pay in advance if the producer requires it and sign the long-term contract with fixed conditions.

The vendors are controlled to ensure that all criteria are met and the producers are not ripped off. The system must be absolutely transparent and the records about transactions must be available for the auditors from FLO.

At first the application for certification was not charged and the costs were covered by FLO-CERT. But in 2004 the FLO-CERT introduced certification fees. The certification unit ISO 65 was established and this unit gives the applicants the duty of paying a fee. The introduction of the fees rates FLO-CERT as very beneficial and it enables better control of the producers and vendors.

There are three types of fees- Application fee, Initial certification fee and fee for restoration of certification. The height of the fee depends on amount of work needed, scale of production, etc. (ProFairtrade, 2011).

### 3.5.FAIRTRADE TOWNS

Fairtrade itself tries to bring the farmer and the shopper closer together. So does the Fairtrade Town. This concept could be also introduced into region, town, village, island, borough, county or zone (in case that community cannot be described else, it is described as a “zone”, for instance national parks or neighbouring cooperating villages). The rules are similar and every community can gain the status of Fairtrade, even the university or faculty.

In the Czech Republic the Fairtrade is not as known as in other European countries but there are two towns with status Fairtrade- Vsetín and Litoměřice, therefore this part of this thesis is aimed on Fairtrade towns.

The Fairtrade town is any community where people and organizations increase sales of Fairtrade products by using their everyday choices. This community support farmers in developing countries through local government, schools, businesses, community organizations and also individuals working together (Fairtrade Towns, 2011).

### 3.5.1. HISTORY

The first Fairtrade town was established in 1999 in the United Kingdom in the city of Garstang. The local members of OXFAM (an international confederation of 15 organizations fighting against poverty and injustice) decided to support Fair Trade and inform about it and therefore created concept of a Fairtrade town. The campaign won the support of local businesses, town council, local media, churches and schools. This group of members of OXFAM set criteria for qualification as a Fairtrade town. These criteria were considered as dependent on the number of retail stores in comparison with the population. In 1999 the Garstang was finally declared as the first Fairtrade town in the World.

The interest about this concept have grown during following years and by 2006 there were more than 200 Fairtrade towns in the United Kingdom. This number doubled by 2009 and included Fairtrade towns London, Dublin and Edinburgh. Other towns from countries throughout Europe, Australia, New Zealand and also United States joined the net of Fairtrade towns.

By 2010 the number of Fairtrade towns worldwide had exceeded 600. By 4.6.2011 the 1000<sup>th</sup> Fairtrade was established and during the rest of the year 2011 other cities joined. By the end of 2011 there were more than 1000 Fairtrade towns in 23 countries of the World.

In the Czech republic the campaign for the Fairtrade towns started in January 2011 under the sponsorship of the Ministry of environment. The activities were coordinated by Association for Fair trade, Na Zemi and by Ecumenical Academy of Prague.

The first Czech towns Litoměřice and Vsetín fulfilled the requirements of an international campaign and were given the Fairtrade status 14.9.2011 (Fairtradová města, 2011).

### 3.5.2. REQUIREMENTS

There are five aims of Fairtrade Town:

1. OFFICIAL SUPPORT- Local council passes a decision of supporting Fairtrade and approves serving of Fairtrade products (for instance, in offices or in canteens)
2. AVAILABILITY- The amount X of Fairtrade products are available in the area's retail outlet (for example, in supermarkets, tobacconist's or in filling station) and the amount Y served in local catering outlets (cafés, pubs, restaurants).
  - Population of < 10,000: X = 1 retail outlet per 2,500; Y = 1 catering outlet per 5,000
  - Population of < 200,000: X = 1 retail outlet per 5,000; Y = 1 catering outlet per 10,000
  - Population of < 500,000: X = 1 retail outlet per 10,000; Y = 1 catering outlet per 20,000
3. LOCAL SUPPORT- Local workplaces and community organizations support Fairtrade and use Fairtrade products as much as possible.
4. MEDIA& WORK WITH PUBLIC - Propagation and education about Fairtrade across the community.
5. LOCAL CONTROLLING GROUP- Establishment of local controlling group controlling the development and gaining new support.

These goals must be met in order to become a Fairtrade Town. The goals are designed to involve as many people as possible. Everyone in the town could be helpful if plays the particular role (Reed and Crowther, 2009).

The Fairtrade towns then benefit by empowerment of reputation of their town, fulfilment of internationally honoured aims for support of sustainable development or responsible manipulation with public resources. The Fairtrade town gains a potential to cooperate with other Fairtrade towns and becomes an example for another institutions or consumers (Fairtradová města,2011).

### 3.5.3. HOW TO APPLY

Application forms are available at [www.Fairtrade.org.uk/towns](http://www.Fairtrade.org.uk/towns). The applicant (some representative of the particular community) has to complete the application form, where the detailed description of the five goals is needed. It is better to complete the form electronically because it is both quicker and more efficient. The completed application has to be send to email address [volunteer.townsairtrade.org.uk](mailto:volunteer.townsairtrade.org.uk) (in case the applicant cannot send form electronically he can contact Fairtrade town volunteer by telephone. Another supporting information can be sent separately to the Fairtrade Foundation in London. These are complete directions to apply.

The Fairtrade Foundation confirms the application has been receives and asks for any additional information if needed. The jury weighs up the application and prepares a document for the applicant where it is stated which goals have been met and there are also further recommendations. If the application is assessed as successful, the community is consented to use status “Fairtrade” (Reed and Crowther, 2009).

### 3.5.4. IMPACTS

There are a lot of overall impacts of Fairtrade Towns Movement according to Taplin (2009). In her Evaluation of Impact of Fairtrade Towns she published various experience of people involve in Fairtrade Towns movement. One of them says that she did a research and in Non-Fairtrade Town approximately 73% of people are aware of Fair Trade but in Fairtrade Town this awareness exceeds 95%.

The impacts are rather positive than negative. The main positive result is for instance networking, where people are connected and cooperate. People are not so apathetic and

unconcerned, they communicate more with their neighbours and local sellers. Another is better feeling from helping people from developing countries. Fairtrade Towns increase awareness and understanding of development issues and they do it by influencing neighbouring towns or for instance through tourism (Taplin, 2009).

It is obvious and proved that Fairtrade Towns increase people's awareness of Fair Trade. Higher awareness of Fair Trade higher possibility that the people will buy Fair Trade products. However there are no concrete data proving the positive impacts of Fairtrade Towns movement for towns themselves available.

#### 4. RESULTS

The research was conducted in Fairtrade Town of Litoměřice. At first the interview with the project manager of the town and chief of local controlling group for Fairtrade Town in one person, Ing. Marcela Trejbalová was made. The interview took place in café Fairlady in the centre of Litoměřice on 21<sup>st</sup> of November 2011. The dialogue was recorded on dictaphone.

The further research was conducted in the streets of the city. This research was made with the help of questionnaires and this research has to illustrate the change of attitude of the town's inhabitants to the status of Fairtrade Town and Fair Trade in general.

##### 4.1. INTERVIEW

The purpose of this interview was to investigate the process of the application for the status of Fairtrade Town and reveal difficulties in the application. Also the activities of the Fairtrade Town of Litoměřice were researched and as well the whole process of application and following work. The chief of the local controlling group Ing. Marcela Trejbalová provided all important information for the purposes of this bachelor thesis.

Information gained in the interview:

#### 1) Reasons for applying

The reasons for applying were not mercantile but it was natural consequence of the developing of the town. The town of Litoměřice was always concerned in environment friendly projects.

It has been participating in project Aware and Fair, which promotes Fair Trade and its aim is to increase awareness of the Fair Trade as well as the sales of Fair Trade products. The budget from the project Aware and Fair also financed the process of application and activities of the Fairtrade Town of Litoměřice.

Since 2000 Litoměřice has been member of National Network of Healthy Cities and belongs to category B in Local Agenda 21. Local Agenda 21 promotes sustainable development of the towns, strategic planning and protection of the environment. Category B is the second highest category and refers to the responsible development of the town.

Since 2010 Litoměřice has been purchasing the Fair Trade products for the public administration. This is also one of the requirements for the Fairtrade Town, so Litoměřice fulfilled it before application.

These facts had an effect that Litoměřice joined the national campaign for Fairtrade Towns in the Czech Republic and the project manager, who was appointed also as a chief of the local controlling group, prepared the application form and submitted it.

#### 2) Application form

The application form contains information about activities of the town connected with Fairtrade and has to prove that the town fulfilled all requirements for status of Fairtrade Town (see chapter 3.1.2.). This application form should be fulfilled, signed by two members of local controlling group and by local authority.

The application form of the town of Litoměřice had about 15 pages where it should be proved that all requirements were fulfilled and there is also a detailed description of activities connected with each aim.

The application form was prepared by the project manager, who spent 3 months by preparation and had half work. The project manager finished the application form in May and submitted it in the end of May.

In July there was an audit in Litoměřice by project managers from Ecumenical Academy of Prague a Association for Fairtrade. These managers controlled whether information in the application form were right and whether the criteria were met.

The status of Fairtrade Town was awarded to Litoměřice on 14<sup>th</sup> September 2011.

### 3) Activities of the town

Of course that it does not end with awarding a status of Fairtrade Town. Every year there is an obligation to prove that town still meets the criteria and can use the status of Fairtrade Town. It is not only official, media and public support or number of retail stores or outlets, but also the promotion. Therefore the town organizes promotes the Fair Trade by organizing or participating in various festivals.

- Fair breakfast (May 2011)

People in more than 40 Czech towns had breakfast in parks and brought Fairtrade products, such as coffee, sweets, chocolate.

- Film festival One World (August 2011)

Projection of documentaries from developing countries.

- Festival with tasting of Fairtrade Products (September 2011)
- Presentation of Fair Trade and Fairtrade products in various festivals

For example Children's day in Řež u Prahy (September 2011).

Litoměřice also promotes Fair Trade in small organizations and at school. There are several schools which are planning the application form for status of Fairtrade School during 2012.

## 4.2. QUESTIONNAIRES

The research was conducted in the town of Litoměřice on 5<sup>th</sup> January 2012 from 10 am till 7 pm. This research was made among 100 respondents in the streets, therefore it is rather illustrative because the sample of the respondents was not complete (some types of people do not occur in the streets in this particular in this time interval). Respondents were chosen randomly, only condition for people was the permanent residence in Litoměřice.

The purpose of this illustrative research was to investigate how the inhabitants of Litoměřice are aware of Fair Trade and how is their awareness influenced by campaign of the town for Fairtrade Town. The questions were asked in order to outline the influence of the town's activities connected with Fair Trade on town's inhabitants. Gained answers could suggest whether the town is successful in promoting Fair Trade and whether the inhabitants buy more Fair Trade products or not.

Respondents stated their sex and age.

The questionnaire for respondents:

SEX Male  Female

AGE <20  21-30  31-40  41-50  51-60  >61

1. Do you know the term "Fair Trade" or "Fairtrade"?

YES / NO

1.1. YES → Have you learned about it for the first time thanks to the campaign for Fairtrade Towns?

YES / NO



2. Have you noticed the national campaign for Fairtrade Towns?

YES / NO

2.1.YES → Has the campaign increased your knowledge about Fair Trade?

YES / NO

3. Do you know that Litoměřice was awarded the status of Fairtrade Town?

YES / NO

3.1.YES → Have you noticed activities of the town connected with FT?

YES / NO

3.1.1. YES → Have you participated in these activities?

YES / NO

3.2.How has the fact that Litoměřice became Fairtrade Town influenced your purchasing of Fair Trade products?

VERY                  SLIGHTLY                  NOT AT ALL                  SLIGHTLY                  VERY

---

POSITIVE

NEGATIVE

#### 4.2.1. RESULTS

The results are presented in graphs below and a brief description is added.

There were 100 respondents of following characteristics:

SEX Male: **46** Female: **54**

AGE

<20: **15**

21-30: **20**

31-40: **26**

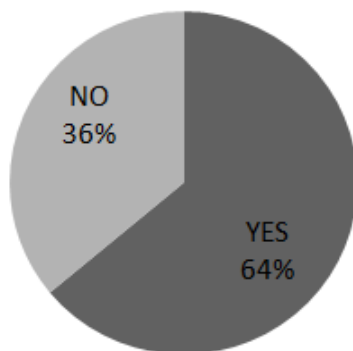
41-50: **19**

51-60: **12**

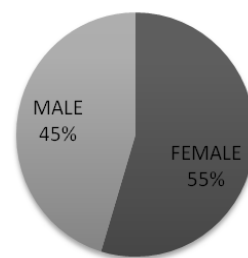
>60: **8**

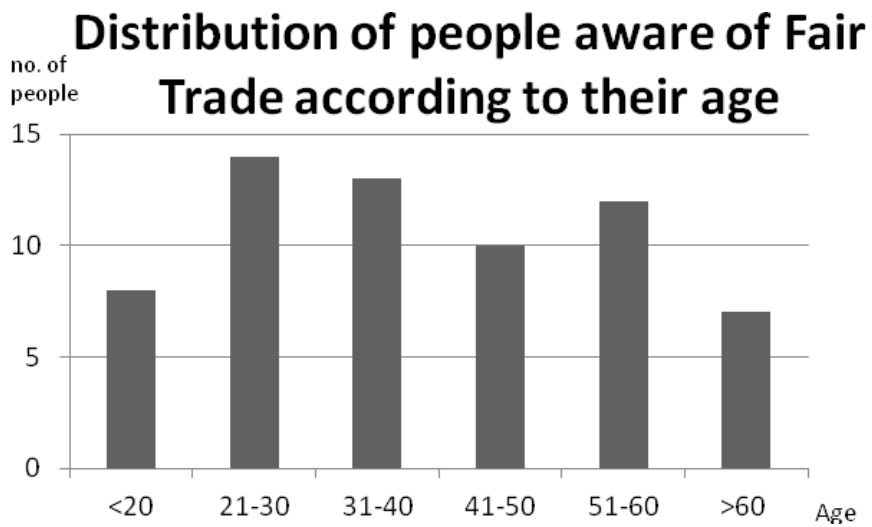
- 
1. Do you know the term “Fair Trade” or “Fairtrade”?

**Figure 1. The awareness of Fair Trade by inhabitants of Litoměřice**



**YES- according to gender**





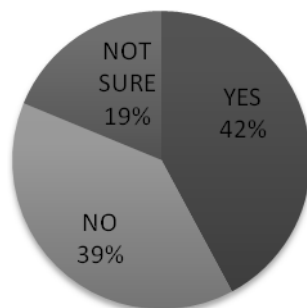
The answers on the first question showed that 64% of respondents are familiar with the term Fair Trade. Women slightly predominate the men considering the awareness Fair Trade.

Age distribution showed that the least informed were respondents older than 60 years and teenagers (children). The rest of respondents was more or less on the same level of awareness. These results are relatively positive, because more than half of inhabitants are familiar with Fair Trade.

YES → Have you learned about it for the first time thanks to the campaign for Fairtrade Towns?

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**Figure 1.1. The influence of the national campaign for Fairtrade Towns on awareness of Fair Trade by inhabitants of Litoměřice**

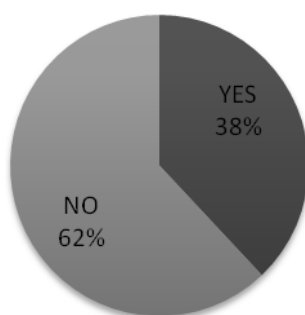


Responses for the question 1.1. showed that more than 42% of people who are familiar with Fair Trade are informed thanks to the campaign for Fairtrade Towns. This showed, that campaign led in the whole Czech Republic and of course, in larger scale in Litoměřice, contributed to the increasing of public's awareness of Fair Trade.

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2. Have you noticed the national campaign for Fairtrade Towns?

**Figure 2. The awareness of the national campaign for Fairtrade Towns by inhabitants of Litoměřice**



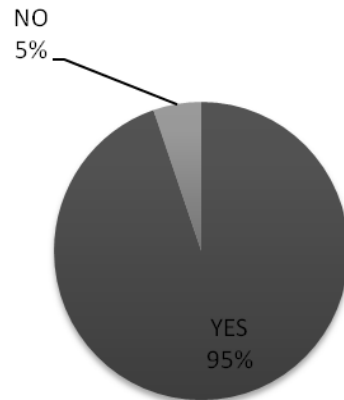
The result of the question 2 is not very satisfying for leader of the national campaign for Fairtrade Towns. From the question 1.1. it was found out that 27 people know the term Fair Trade because of the campaign, therefore they had to notice it. According to this

question 11 people answered they have noticed the campaign, but they do not they know Fair Trade.

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2.1.YES → Has the campaign increased your knowledge about Fair Trade?

**Figure 2.1. The influence of the national campaign on knowledge about Fair Trade by inhabitants of Litoměřice**



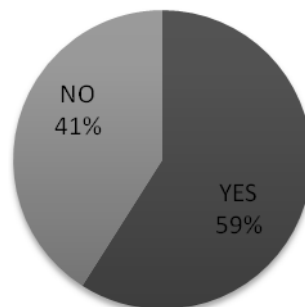
Question 2.1. proved that 36 out of 38 people (who noticed the campaign) gained new knowledge about Fair Trade thanks to the campaign. It is very positive fact that campaign for Fairtrade Towns contributes to the better people awareness of Fair Trade, however second question showed that only minority of people noticed the campaign.

The hypothesis one is verified. The status of Fairtrade Town increases awareness of people of Fairtrade.

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3. Do you know that Litoměřice was awarded the status of Fairtrade Town?

**Figure 3. The awareness of status of Fairtrade Town of Litoměřice by its inhabitants**

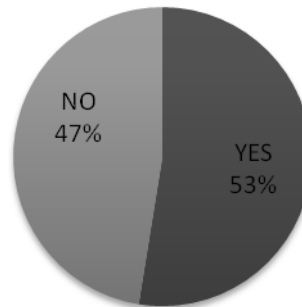


More than half of respondents noticed that Litoměřice was awarded the status of Fairtrade Town. This result is relatively positive, but taking into account the size of the town and number of inhabitants and amount of promotion of this campaign and its results it is obvious it could be improved.

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3.1.YES → Have you noticed activities of the town connected with FT?

**Figure 3.1. The awareness of activities of the town connected with Fair Trade by inhabitants of Litoměřice**

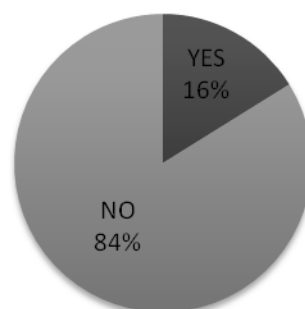


The majority of the 59 respondents who answered for the question 3 positively noticed town's activities connected with Fair Trade. Fair Trade is still an issue for minority of people in most locations therefore this result is positive for supporters of Fair Trade in Litoměřice.

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3.1.1. YES → Have you participated in these activities?

**Figure 3.1.1. The participation of inhabitants of Litoměřice in activities of the town**



Out of 31 respondents who noticed activities connected with Fair Trade only five of them participated in these activities. Two of them mentioned Fairtrade breakfast which took

place in May 2011, one mentioned film festival One World and remaining two mentioned meetings in cafés, but both admitted that they participated rather accidentally than intentionally. This fact seems not very positive for Fairtrade Town of Litoměřice, but it is necessary to realize that it became Fairtrade Town in September 2011 and this research was made only 4 months later. The promotion requires more time than few months.

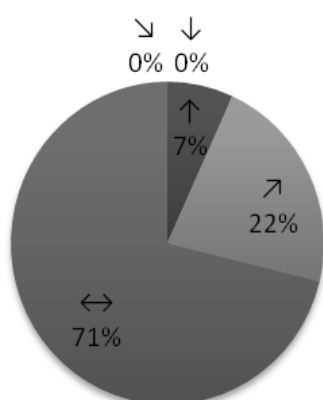
3.2. How has the fact that Litoměřice became Fairtrade Town influenced your purchasing of Fair Trade products?

Positive: VERY ↑ SLIGHTLY ↗

Neutral: NOT AT ALL ↔

Negative: VERY ↓ SLIGHTLY ↘

**Figure 3.2. The influence of the status of Fairtrade Town on purchasing of Fair Trade products in Litoměřice**



Respondents who positively answered on the question whether they know about status Fairtrade Town of Litoměřice were asked how it influenced their purchasing of Fair Trade products. Although it was not very much expected that it influenced someone negatively, these answers were in options. As it was expected, no one answered like that. 71% of respondents do not think they buy more or less Fair Trade products since Litoměřice became a Fairtrade Town. 29% of respondents buy Fair Trade products more, 7% of them feel even very positively influenced.

The hypothesis two is verified. Status of Fairtrade Town increases sales of certified products in the town.

## 5. CONCLUSION

Fair Trade is a social movement with increasing support and promotion. Concept of Fairtrade Towns is very good tool in promoting Fair Trade and increasing sales of certified products. The application process for status of Fairtrade Town does not require any significant sum in towns' budget and labour requirements are also relatively low. Following activities for promotion Fair Trade must not be expensive as well, it is dependent on fantasy and activity of members of local controlling group and project managers. Town can also increase tourism, promotes itself and its other activities. The status of Fairtrade Town also helps to improve the town's image.

According to the illustrative research the both hypotheses were verified- The status of Fairtrade Town increases the sales of Fair Trade products in the town and increases the people's awareness of Fair Trade as well.

The illustrative quantitative research shows that inhabitants of Litoměřice are not very informed about the national campaign for Fairtrade Towns in the present, but the research was made four months after the awarding a status, so the results could be misleading. Awareness of inhabitants of Litoměřice of Fair Trade is relatively high and it provides good base for development of Fair Trade in the town.

The national campaign for Fairtrade Towns is still in progress so it is expected that during following years many other Czech towns will join this network and therefore promote the concept of Fairtrade Town and Fair Trade in general. The more towns involved the more promotion for Fair Trade.



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## 7. SUPPLEMENTS

### 7.1. APPLICATION FORM



# Application form

Complete and return when you have succeeded!

A copy of this form should be completed and signed by two group members plus a local authority representative before returning to the Fairtrade Foundation. It is preferable that this form is sent electronically to [towns.volunteer@fairtrade.org.uk](mailto:towns.volunteer@fairtrade.org.uk) with supporting documents posted to: Fairtrade Towns, the Fairtrade Foundation, 3rd Floor, Ibex House, 42 - 47 Minories, London EC3N 1DY.

**Please note that completed Application Forms should only be sent in as a hard copy when absolutely necessary and by prior arrangement with the Fairtrade Towns Coordinator.** A signed and dated certificate will be awarded when the area's Fairtrade status has been granted.

#### CONTACT NAME

Please tick if you are happy for us to pass on your contact details to Fairtrade supporters keen to join your campaign (it will not be given to any other organisations)

**Organisation** (if any) \_\_\_\_\_

## ADDRESS

**Telephone** Daytime: \_\_\_\_\_ Evening: \_\_\_\_\_

### E-mail address

**Status applied for** (tick one box only):  Fairtrade Town  Fairtrade City

Fairtrade Village  Fairtrade Zone  Fairtrade Island  Fairtrade County

Fairtrade Borough

**For the area of:** \_\_\_\_\_

**Population:** \_\_\_\_\_

**Do you have a preferred date on which to declare?**  Yes  No

**If yes give date?** (Please allow at least 6 weeks for the application to be processed and note that no date should be confirmed until you know that your application has been successful) \_\_\_\_\_

**Goal 1: Local council passes a resolution supporting Fairtrade\*.** The resolution should include a commitment to serve Fairtrade\* tea and coffee at its meetings and in its offices and canteens whenever hot drinks are served.

Date achieved:

Details (Please include a copy of the resolution, or state the exact wording):

Any other progress or achievements:

**Goal 2: A range of (at least two) Fairtrade\* products are readily available in the area's shops and served in local cafés/catering establishments – suggested targets are given in the Action Guide.**

Date target reached:

Suggested retail target required

Number of retailers achieved

Suggested catering target required

Number of catering outlets achieved

Details of Outlets (Please include separate lists for retail and catering outlets with contact details, days open if less than a normal working week, and the number and type of Fairtrade\* goods provided):

Any other progress or achievements: (include here places that may sell only one Fairtrade item and/or fairly traded goods or is open for less than 3 days per week and news of any directories produced with copies sent in where appropriate):

**Goal 3: Fairtrade\* products are used by an appropriate number of local work places (offices, shops, B&Bs etc.) and community organisations (faith communities, schools, universities etc).** For larger populations (over 100,000) a flagship employer is expected as well as the local authority listed under Goal 1.

Details (Please include separate lists for work places, faith communities, educational establishments and other community organisations that are using Fairtrade products on their premises, specifying whether they have Fairtrade status and if not, how they are supporting Fairtrade. Give an estimation of the total number of schools and faith groups they are in your area so that we can calculate the proportion of which are supporting Fairtrade. Estimated staff numbers should be given for any flagship employer.):

Any other progress or achievements (Include here places that support Fairtrade in other ways than using Fairtrade products and any ongoing or planned campaigns):

**Goal 4: Attract media coverage and popular support for the campaign.** For the press, the story can be revived as each goal is achieved, organising a big splash for the Fairtrade declaration ceremony, and developing a strategy to keep it in the news long after. This will also enable local businesses and organisations to benefit from their involvement.

Details (Please include separate lists for events organised and media coverage attracted with dates and copies of any press articles or promotional materials produced):

Any other progress or achievements:

**Goal 5: A local Steering Group is convened to ensure progress and continued commitment to the campaign.** This should ideally include a council representative, campaigners, and people representing the area's schools, churches and businesses. The group is responsible for an annual assessment to monitor whether the area is continuing to meet the five goals. The group organises special events for Fairtrade Fortnight in March each year.

Name of Steering Group:

Date of first meeting:

How often is the Group presently meeting?

Details of Steering Group (Please include a list of members with contact details, roles and any organisations they may represent):

Future plans (Please identify any future plans and areas that you would like to focus on for the next year):

\*When referring to Fairtrade Towns, Fairtrade products (i.e. products which carry the FAIRTRADE Mark) and Fairtrade in any context relating to the Fairtrade Foundation, Fairtrade should always be written as one word with a capital 'F'.

This form should be signed by: two members of the Fairtrade steering group, and one representative of the relevant local authority (who may also be a member of the steering group).

	1. Group member	2. Group member	3. Local authority
Signed	_____	_____	_____
Name	_____	_____	_____
Position/organisation	_____	_____	_____
Phone number	_____	_____	_____
Date	_____	_____	_____