



Assessing the Impacts of Fairtrade on Worker-Defined Forms of Empowerment on Ecuadorian Flower Plantations

Summary and response from the commissioning agencies Fairtrade International and Max Havelaar-Foundation (Switzerland) to an independent impact study on Fairtrade-certified flower plantations

The study at a glance

Fairtrade is committed to understanding more about its impact and effectiveness as it strives to support sustainable livelihoods and empowerment for farmers and workers around the world. Alongside regular monitoring, Fairtrade commissions and publishes independent research and evaluation to increase our knowledge about our impact and effectiveness, to learn and improve

Over the past ten years, flowers have become a major product category for Fairtrade. In 2012, 536 million Fairtrade flower stems were sold – an increase of 48 percent on the previous year. As flowers grow in importance, we want to understand more about what Fairtrade has achieved to date within flower farms, and how we can improve impact. In addition, we are developing and improving our approach to workers on plantations more broadly.

Research studies such as this can help us understand how Fairtrade works in different contexts. This enables us to develop appropriate responses and strategies to ensure that workers on certified plantations and large farms can benefit more from Fairtrade.

This new report by independent researcher Angus Lyall summarizes the results of a series of workshops held with workers on three Fairtrade-certified flower farms in Ecuador. It confirms



that Fairtrade's approach of focusing on the collective and individual strengthening of workers yields important benefits. However, the study also highlights some challenges and makes useful recommendations on how to address them, which we address below. These results spur us forward in our work to develop and implement improvements to our strategy on plantations.

Defining the term 'empowerment'

What exactly do we mean when we say Fairtrade seeks to 'empower' workers? The best way to answer to this question is to ask workers themselves. What do they consider empowerment to mean? What are the necessary preconditions for empowerment? How would they like to see Fairtrade evolve further in the future to deepen its impact on plantation workers around the world? The research methodology for this report was designed to allow workers to express their own perspectives on empowerment, personal development, and the contribution that they think Fairtrade has made to these. It provides insights from both male and female workers, and from workers who have been employed for various lengths of time on Fairtrade-certified flower plantations.

The main results

The workers who participated in the research identified **choice** as central to empowerment. In their definition, choice implies that a person can choose to dedicate time, energy and resources to their own economic undertakings and to their families and communities. At the same time, the workers identified **job security** as an important precondition for empowerment. In essence, they regard stable employment as a means to achieving economic independence in the long run.

Economic independence emerged as an important dimension of full empowerment for the workers in this study. This was reflected in the desire of many workers to become self-employed in the long-term (for example by establishing their own small farm or business). The reality for workers in the flower producing region of Ecuador – where the distribution of land and other productive resources is highly inequitable – makes this goal of economic independence difficult to achieve. Nevertheless, workers have been able to use the Fairtrade Premium they earned to make some small investments toward realising their own goals.

This long-term vision is important to note when analysing Fairtrade's impact on working conditions. Only when workers have the ability to freely express themselves, contribute constructively in the workplace, negotiate collectively, and execute projects, can they set long-term goals and plan for their future. This is not to say that workers wish to leave the workplace, but that it is a step in their ongoing development.



The workers in the study described their pathway toward greater empowerment. The empowerment goals and priorities of workers in different countries and different product sectors may differ – for example, self-employment may not necessarily be identified as the ultimate empowerment goal by all Fairtrade plantation workers. However, even if the ultimate goals differ, the workers’ description of the journey that they have taken toward empowerment, and the role that Fairtrade has played in that, are likely to be relevant in other contexts too.

The pathway toward empowerment

The workers in the study describe their pathway to empowerment as a three-step process. **First, workers need to develop confidence to express ideas and concerns.** Fairtrade offered workers two important means to support this:

1. The opportunity to acquire knowledge about workers’ rights, technical skills (e.g. project management skills or computer literacy), health and other social issues; and
2. Experience participating in worker organizations such as workers’ committees and Joint Bodies.¹ This has fostered relationships between workers, has given them opportunities to participate in discussions and meetings centered on their interests, and allowed them to develop the skills and confidence to lead and manage meetings and projects.

The second step in the pathway cited by workers was **achieving increased collective influence on decision-making and policy formation** on and off the plantation. Workers emphasized their increased capacity to articulate and voice collective concerns. Achievements have been made in regard to working hours, overtime payments and the provision of transport, food baskets and medical attention for the workers’ families, all of which have improved the overall work environment and the quality of life of workers and their families.

However, negotiations to improve wages beyond basic increases are limited. In Ecuador, the wage setting process in the agricultural sector is primarily government-driven. Minimum wages have been increased every year as part of a national strategy to promote ‘dignified salaries’ based on calculations of basic family needs known as the ‘*canasta básica*’ (though trade unions in Ecuador do not believe that the government-set level is sufficient). In its revised standard for hired labour Fairtrade has stipulated that wages lying below a Living Wage level need to be regularly increased through negotiations between management and elected worker representatives.

¹ Joint Bodies are organizations of workers created on Fairtrade-certified plantations for the purpose of managing the use of the Fairtrade Premium.



Workers also identified increased exchange with workers' committees and joint bodies from other plantations as a key factor supporting their ability to influence change beyond their plantation. Similarly, they discussed the need for workers to be more integrated and represented in local, community organizations.

The third part of the pathway described by workers was the ability to **increase control over personal economic strategies** through direct access to resources. Workers cited that the Fairtrade Premium played a key role here. Workers have invested their Fairtrade Premium in collective projects that have generated substantial individual benefits. For example, Fairtrade Premium has been used for housing projects and loans, for scholarships and health care schemes, and to some extent for credit facilities to finance small business investment. This reflects workers' emphasis on economic independence as an ultimate empowerment goal. This is in contrast to other contexts – especially on flower plantations in East Africa where the availability of basic public services is more limited – Fairtrade Premium funds have been used more often for community projects like schools, health centres or water supply projects.

Challenges and recommendations

The study reveals a number of challenges and critical issues which act as roadblocks within empowerment processes. For example, workers reported reluctance from some supervisors to hear to workers' concerns; increased workloads resulting from increased productivity and wage pressures on plantations; the need for more opportunities for exchange with workers' organizations on other plantations; and the need for more support and accompaniment from within the Fairtrade system.

The study also discusses the situation of trade unions in the Ecuadorian flower sector. Whilst Fairtrade has been able to promote worker organization through on-plantation committees, it has been less successful in facilitating better trade union access in flower plantations. The report places this within the wider context of trade union development within the flower sector in Ecuador where there are major barriers to unionization resulting from a history of conflict between unions and business.

The report makes a number of recommendations for Fairtrade, especially in regard to Fairtrade's producer support work; the provision of trainings for workers and supervisors; the development of opportunities for exchange between workers on different plantations; the development of the Fairtrade Hired Labour Standards; and the improvement of monitoring and evaluation within hired labour contexts.

Fairtrade's view of the findings

The findings of the study are unique and enlightening. The report shows that the process is indeed empowering and that workers in these flower plantations in Ecuador have



experienced increased choice and control over their own lives. Collective negotiations have yielded improvements in working conditions, specifically in regard to working hours and overtime payment regulations, as well as the provision of non-cash benefits to workers and their families. These impacts should not be underestimated.

The report emphasizes that strengthening the collective voice of workers is a necessary step, but that further empowerment requires solid mechanisms to translate such strengthened voice into concrete achievements. Fairtrade can contribute to the development of mutual respect between workers and management. Such relationships are an essential basis for tackling more critical aspects, such as increasing workloads resulting from the economic pressure on plantations as they implement increased national minimum wages.

The results are unique in the understanding they give about how workers on Ecuadorian flower farms perceive *empowerment* and its relationship with Fairtrade certification. The idea of worker empowerment is not deeply rooted in these regions of Ecuador, where paternalism and individualism are more culturally dominant ideologies. Workers did not necessarily use the term or find it easy to understand at the outset. In this context, the collective initiatives that workers have achieved in these plantations with the support of Fairtrade are even more notable.

What needs to be done

This report has already been a useful resource in the recent revision of the Fairtrade Standard for Hired Labour Organizations. It will continue to provide guidance in the further advancing our strategy for working with workers on plantations. Moreover, it clearly highlights the need to strengthen our producer support services and increase Fairtrade training provision for workers and supervisors/managers. The results emphasize the need to promote greater network building among workers on Fairtrade-certified plantations, and to go further to enable worker involvement in Fairtrade governance structures at national and international levels.

Fairtrade recognises that stronger organization among workers is a key factor in empowerment in hired labour situations, and that we need to do more to support this, especially in contexts where there are deep historical conflicts between trade unions and businesses.

For example, in response to tensions on one Ecuadorian flower farm around attempts to unionize in late 2013, Fairtrade provided mediation and human rights training for workers and management. In addition, new rules in the revised Fairtrade Standard for Hired Labour Organizations, such as increased support for freedom of association and other instruments, have helped workers remove barriers to unionization. But we know there is much more work to do.



Finally, there is another critical element. We need to ensure that there is enough market for Fairtrade labelled flowers to generate consistent Fairtrade Premium income and ensure ongoing development of mature relations between workers and management. Market access for high quality, beautiful Fairtrade-certified flowers from Ecuador remains challenging both in the United States and in Europe. This limits the benefits that Fairtrade certification can generate for the workers.

We need to increase our efforts to develop greater market access for the high quality flowers bearing the Fairtrade label. The European market is characterized by many small-scale and independent florists selling high quality flowers. Fairtrade has been successful in promoting flowers from East Africa that are sold in supermarkets – especially in Switzerland and Germany. However as we continue to increase our work with retailers around the world, we also need to find a mechanism to involve the smaller florists. If not, we risk that Fairtrade Premium income will be insufficient to yield benefits for workers, and that plantation managers will no longer see a benefit in maintaining their Fairtrade certification.

We call upon all of our partners and supporters to help us create this market access so that step by step, we come closer to Fairtrade's vision of a world in which workers can enjoy secure and sustainable livelihoods, fulfil their potential, and decide on their future. It is in our hands to make a difference. Together, we can do it.

A handwritten signature in black ink, appearing to read 'Harriet Lamb'.

Harriet Lamb
CEO Fairtrade International

A handwritten signature in black ink, appearing to read 'Nadja Lang'.

Nadja Lang
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