

## What is Fair Trade?

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### Fair Trade: A Commitment to Building Relationships

At its heart, Fair Trade is about building respectful, enduring relationships. We at CRS believe that Fair Trade embodies a comprehensive set of criteria, including, at minimum, the following commitments:

- Paying a **fair wage** in the local context
- Offering employees **opportunities for advancement**
- Providing **equal employment opportunities** for all people, particularly the most disadvantaged
- Engaging in **environmentally sustainable practices**
- Being open to **public accountability**
- Building **long-term trade relationships**
- Providing **healthy and safe working conditions** within the local context
- Providing **financial and technical assistance** to producers whenever possible

These criteria were drawn from the Fair Trade Federation, a trade association for Fair Trade businesses in the United States and Canada. For more information about these criteria or the Federation, please visit [www.fairtradefederation.org](http://www.fairtradefederation.org).

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Tea is a popular Fair Trade product.

The idea of fairness in trade is at least as old as our Christian faith. In fact, a good way to think about Fair Trade is to reflect on Jesus' life as a carpenter<sup>1</sup>, when he worked alongside his adoptive father, Joseph, and before he began his public ministry.

### Fair Prices

Fair pricing is the first criterion of Fair Trade. Jesus lived in Nazareth as a carpenter's son, working with Joseph to earn a living wage for his labor. This wage would have factored in the costs of the materials and allowed Jesus to cover the basic needs of his family: food, clothing, shelter.

Today's laborers, artisans and farmers, however, often do not receive payment that is just and fair. The United Nations reports that 2.5 billion people live on less than \$2 a day. In many cases, Fair Trade can be part of a solution to such poverty and desperation.

The guarantee of a fair price is particularly important for commodities like coffee, cocoa and bananas, which have been marked by persistent volatility. The prices for these products on conventional markets often rise and fall quickly. These boom-bust cycles have caused enormous suffering and precluded sustainable improvements in rural livelihoods. But Fair Trade's commitment to paying a fair price for these commodities means that small-scale farmers are guaranteed a fair wage, regardless of what is happening in the market. Plus, the fair prices paid for Fair Trade products not only increase family incomes but also allow communities to invest in infrastructure such as sanitation facilities and health clinics.

The commitment of Fair Traders to pay producers a fair wage is the bedrock principle of Fair Trade. But Fair Trade is much more. We can continue to look at Jesus' life to help us illustrate some of the other principles of Fair trade.

## Safe Working Conditions

Jesus and Joseph likely worked long and hard. But they took breaks when they needed them. They had access to clean water and air to restore their bodies throughout the day, unlike some of today's workplaces that we now call sweatshops. Another criterion of Fair Trade, then, is healthy and safe working conditions.

## Cooperative Workplaces

The Bible mentions more than two dozen trade groups such as carpenters, fishermen and tentmakers. Joseph was a carpenter, so Jesus trained to be one, too, working with others in the family and in association with other carpenters. Today, Fair Trade supports cooperatives—democratically run organizations that promote the active participation of their members and equal opportunity for all. Fair Trade organizations purchase directly from cooperatives in developing countries and market their products to consumers.



Artisans in Madagascar learn about product trends.

## Credit and Technical Assistance

Today, just as in Jesus' day, it would be unreasonable to expect that someone unfamiliar with the tools of the carpenter's trade would be capable of creating high-quality items. Apprenticeships allowed craftspeople to learn their trades over time and under the nurturing guidance of a mentor. But the contemporary system of conventional trade does not naturally foster the development of small-scale producers overseas. Fair Trade helps to fill this critical gap through technical assistance and credit.

Through training and consultation, Fair Trade organizations help producers gain the market knowledge they need to produce overseas handcrafts and food that appeal to consumer tastes and trends here in the United States. Perhaps more importantly, Fair Trade organizations also offer credit on fair terms. Most small-scale farmers and artisans overseas forced to borrow at exorbitant rates from informal money lenders in their communities. When they are unable to repay the interest, they enter a vicious cycle of debt from which it is difficult to escape. Fair Trade provides them with affordable access to the credit they need to make their farms and crafts cooperatives successful enterprises.

## Environmental Stewardship

We cannot know precisely how Jesus used the raw materials essential to his carpentry, but we know that our church and other faiths have drawn from a clear mandate to treat the earth and its abundance with reverence. Fair Trade production practices mirror this respect for God's creation.

The more farmers and artisans take care of the environments in which they operate, the more those environments will take care of them. Fair Trade encourages respect for creation with technical assistance that helps farmers and artisans meet the expectations of environmentally conscious consumers.

## Long-Term Relationships

As an independent carpenter, Jesus would probably have had many commercial relationships. It's likely also that as long as His customers paid Him fairly and He created quality products, there would have been incentives for both parties to maintain a long-term relationship.

In our contemporary world, large companies, which buy large volumes of items from their suppliers, are always on the lookout for cheaper prices for the same products as a way to reduce their costs. What we don't always think about is how ruinous this behavior is for producers who lose important customers over minimal differences in price.

Fair Trade is built on a firm foundation of stable, long-term, mutually beneficial trading relations between cooperatives of artisans and farmers and the Fair Trade organizations that buy the things they create. The Fair Trade organizations don't change suppliers from one year to the next in search of lower prices; they work in partnership with the same producers year after year after year—and are still able to make a healthy profit.