



FUNDAMENTALS FOR A GLOBAL **FAIR** ECOLOGICAL TRANSITION

a statement from the
Fair Trade Movement

For a truly sustainable and socially responsible, **global ecological transition** to a new economic and social model

Every human being has the right

...To a **clean, healthy and sustainable environment**, living in a world free from environmental degradation and toxic pollution.

...To **freedom, equality and adequate conditions of life**, in an environment that allows a life of dignity and well-being.

...To **adequate remuneration** and a **decent standard of living**.

...To **adequate food and be free from hunger**.



WHAT IS THE PROBLEM?

Lack of access to land, water, seeds and other natural resources; climate change effects; lack of living incomes and living wages; market pressure, to only cite a few, are all increasing challenges faced by farmers, workers and artisans worldwide.

Many global value chains are characterized by hazardous and exploitative conditions under which farmers, workers and artisans are frequently denied the opportunity to exercise their fundamental rights and lack living wages or living incomes.

Power concentration in global value chains, price pressures and the unequal distribution of value along value chains all impede the full enjoyment of human rights. Adding to structural socioeconomic inequalities through which ethical and ecological consumption choices are mostly accessible to the middle and upper classes, and where prices paid to farmers and producers, do not reflect the true cost of production, and thus prevent them from covering their most basic needs.

The world is witnessing the devastating consequences of climate change. Paradoxically, those who are contributing the least to the climate crisis are the ones at the forefront, facing most of its negative effects. The time has come to reverse that trend. Smallholder farmers require support and the adequate tools to be able to cope with these new realities and make the transition towards viable, resilient and sustainable productions practices.

The current global threats we are facing, have demonstrated not only how interdependent the world and global value chains are. But also how environmental destruction, climate, health and political crises are all interconnected and often share the exploitation of people and planet as a common root cause¹.

Business as usual is no more an option. It becomes clear that a transition towards redefined, truly fair ecological models is required. On a global level, we need a different way of producing and of consuming.

WHO PAYS THE PRICE?

WHO BEARS THE COSTS? WHO IS IN THE WEAKEST POSITION?

In the current situation, smallholder farmers, workers and artisans are the ones who pay the price for scarcity of resources, climate change effects and increased market pressure.

Farmers face rising production costs and sustainability requirements, while lacking the corresponding increases in the price they receive for their production, due to imbalances of power between them and buyers.

Without there being a fair share of costs among actors in global value chains, smallholder farmers are the ones who bear the cost of the transition towards sustainable practices. For instance, smallholder farmers are asked to transition to ecological practices without proper support (financial and other).

This positions them, as well as workers and artisans, as the actors in the weakest position to withstand climate change. Together with low-income consumers who are often unable to purchase sustainable and ethical products.

Yet again, smallholder farmers, workers and artisans are the ones who are in the weakest position in terms of market and climate change. However low-income consumers are also in a weak position as sustainable and ethical products are inaccessible to them.

This situation must be fixed. The answer to the three questions cannot rely on one actor only. The time to act is now. Globally, there is need of a shift towards ecological practices, but this needs to be fair. Fair to smallholder farmers, workers, and artisans worldwide; fair to producer countries; fair to low-income consumers and fair to young people.

Young people and the future generations are also at risk. Young generations need to be fully empowered and involved so that their visions are an opportunity for innovation, peace, and security².

Bottom line, this means providing smallholder farmers, workers and artisans with the necessary support for the transition, while overall rethinking the structural patterns of production, trade and consumption that keep them in a disadvantageous position. But how can that be done?

From a Human Rights perspective

We reaffirm the importance of human rights and environmental freedoms and the principles of peace, social justice, dignity and worth of the human person and of their work.

With a Human Rights approach to be placed at the heart of the fair ecological transition and its decision-making process. To address inequalities and ensure protection for all members of society, with a particular emphasis on those people in vulnerable situations.



THE LEVERS FOR CHANGE

Axis for a global fair ecological transition, a basis for EU intervention

01

AGROECOLOGICAL TRANSITION

From intensive and destructive farming methods to healthy and adequate food produced through ecologically sound, socially, economically and environmentally sustainable methods that put planet and people first.

Agroecology may be the future... **but make it truly fair.** Farmers and agri-food workers should be financially and technically supported as they transition to agroecological practices and other viable alternatives to mitigate adverse impacts of the so far prevalent, profit-oriented system.

We need resilient agri-food systems that work in harmony with nature to save our planet. Agroecological concepts offer an opportunity to transition from a destructive to a sustainable and future proof form of agriculture, that truly encompasses environmental, economic and social dimensions.

Everyone, from farmers to citizens, have the right to adequate food and the fundamental right to be free from hunger.

Globally, States must always ensure that everyone has physical and economic access to sufficient and adequate food that is produced and consumed sustainably and fairly, preserving access to food and to land for future generations, and providing decent livelihood for them, individually and/or collectively.

Smallholder farmers, workers, and artisans shall be able to contribute to the design and implementation of national and local climate change adaptation and mitigation policies. They shall benefit from measures ensuring that no hazardous substances or practices endanger their rights.

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02

CLIMATE JUSTICE

From the overexploitation of the planet's natural resources... to an economic and agricultural model that respects the environment, reduces greenhouse emissions and promotes climate justice, within planetary boundaries.

There is no climate justice without trade justice.

Clean air, safe and sufficient water, sanitation, healthy and sustainable food, a toxic-free environment, a safe climate, and healthy ecosystems and biodiversity, are all part of the right to a healthy environment. Global production and consumption must take into account ecosystems' biological and natural capacity to adapt and regenerate through natural processes and cycles.

Changing weather and seasonal patterns add to the low earnings of small-scale farmers, who are already squeezed by the low and volatile production prices. Furthermore, they are under increasing pressure to transition to more sustainable production patterns, without receiving the necessary support and incentives. Political decisions must be made to make accessible financial tools available for smallholder farmers. The polluter pays principles must be applied in a fair manner to those in vulnerable positions.

Producers and workers cannot absorb, alone, the entire cost of climate change adaptation. We urge all trading partners to own responsibility and work together to overcome the costs of this necessary transformation³.

The green transition must also be carried out in full respect with Human Rights and labour rights (e.g. wind energy companies at risk of contributing to human rights abuses through their mineral supply chain)⁴.



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03

LIVING INCOMES AND LIVING WAGES

From a low-cost model... to accounting for true production costs through the payment of living wages and access to living incomes.

Farmers and artisans must earn a living income to tackle the effects of climate change. Workers must earn a living wage to cover basic needs. This means enough money to buy nutritious food and water, decent housing, other essential needs (such as transport and education) and including provisions for unexpected events.⁵

A decent standard of living – which is dependent on earning a living income and a living wage - is a human right in itself as well as a prerequisite for the fulfilment of many other human rights as well – including cultural, civil and political. It is furthermore, one of the preconditions for allowing the needed transition towards more sustainable farming practices without leaving no one behind.

In this context, all States (including the EU), shall pay particular attention to downstream actors trapped in structural contexts that prevent them to earn a living income, take appropriate measures to address identifies root causes and ensure an equal remuneration for work of equal value, without distinction of any kind. This also involves looking into businesses responsibility for Human Rights respect.

Striving for living incomes requires to tackle the elephant in the room: abusively low and unstable prices must be addressed.

All actors in the value chain have a role to play (and shall be obliged to do so): from states who must legislate, to businesses, retailers and supermarkets who must revisit their business models and purchasing practices.



FROM WORDS TO ACTION: HOW CAN THE EU SUPPORT THE GLOBAL, FAIR AND ECOLOGICAL TRANSITION?

Unravelling the problems – EU tools

TRADE POLICY

- *From trade policies that undermine sustainability goals ... to policies that incentivize fair and sustainable trade while discouraging trade based on low-cost products.*
- *From free trade and neoliberalism ... to fair trade public policy agendas, where a growing proportion of trade is conducted under fair trade conditions.*
- *From a free market... to a sustainability agenda that includes a smart mix of top-down and bottom-up initiatives to transform supply chains*

Trade policy and particularly trade agreements provide the EU and partner countries with relevant tools for making fair and sustainable trade the norm.

Trade agreements have the potential to do more than just grant market access. The Trade and Sustainable Development chapters are a good start but they need to be improved, and their objectives must move from being a separate aspect of the trade agreement to being at its core. Similarly, the promotion of sustainable food systems should be made as an explicit and central objective in trade agreements.

Adequate implementation support for trade and sustainable development commitments under EU trade agreements is lacking, including capacity building for SMEs and smallholder farmers to, first, benefit from trade agreement and, second, to meet relevant sustainability standards and participate in sustainable food trade and value chains. Similarly, trade agreements must be monitored and evaluated in terms of their impact on sustainability as well as human and labour rights in the EU and partner countries.

The commitments of the Paris Agreement should be more strictly enforced.

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TRADE RELATED MEASURES

- *From short-term solutions that close borders and hamper sustainability goals... to permanent cooperation and interdependence between countries based on Fair Trade terms*
- *From imbalances of power in supply chains... to economic democracy in supply chains, without corporate abuse and human rights violations, where smallholder farmers and workers have a strong voice.*
- *From “check-list” approaches to sustainability and human rights... to a transformation of trading and purchasing practices that allows smallholder farmers to earn a living income and workers to earn living wages.*

To contribute to the fair ecological transition in partner countries, companies must perform Human Rights and Environmental Due Diligence. This process must strongly take into account the needs requirements and challenges of smallholder farmers and workers.

In addition, to legislating for mandatory Human Rights and Environmental Due Diligence, the EU (along with several countries that have already done so) shall introduce an effective instrument to ban the placement of products involving forced labour on the market. Said instrument must be effectively designed and implemented in order to eradicate forced labour without unintended negative consequences for smallholder farmers, workers and artisans, while also addressing the root causes of forced labour.

Development aid shall be focused on increasing third countries capacity to produce and trade sustainable products using sustainable practices. Linked to that, only sustainable investment shall be encouraged in third countries. Assuring that EU-supported investments are aligned with Green Deal, F2F and Biodiversity strategies, and that the overall impact on smallholder farmers, workers and SMEs is prioritized.

To achieve the overall objectives of the EU Green Deal as well as the SDGs, the EU should aim at ensuring that any new EU policy that primarily focuses on the environment such as the upcoming EU Regulation on deforestation-free products, does not neglect social sustainability. Both are two sides of the same coin and should be considered on equal footing in the design of the legislative tool, along a strong partnership framework, to effectively guarantee the EU’s capacity to deliver on the ground by preventing agri-food related environmental destruction while ensuring a just transition for smallholders.

WHAT CAN WE ALL DO?

There is a shared responsibility to face this situation. All supply chain actors must come together and recognize the need for change and their own role in the fair ecological transition towards a *new economic and social model, as well as an ecological transformation*.

Companies with mainstream business models must incorporate sustainability and climate action into the core of their business models. Existing models of social enterprises and businesses that put people and planet first must be escalated.

Most of the unsustainable practices present today are the result of powerful buyers and retailers putting pressure on producers and suppliers, and driving businesses to increase profit. To ensure more fair and sustainable production and consumption patterns, we need to start with ensuring sustainable and socially responsible business models as the rule.

States, including the EU, must introduce rules for more transparency and accountability across supply chain. We urge States to launch public policies and effective measures that value and encourage the efforts of progressive, sustainable, and socially responsible businesses.

It is an invitation for policy makers, business leaders, climate finance practitioners, and civil society movements to invest more and dedicate more time and resources to context-specific solutions through which all actors can take ownership of their responsibilities⁶.

Taking action in this regard is something own to future generations, who deserve to live in a future of dignity and self-determination and in a planet where they can thrive in harmony with nature.