

Towards a Fair Trade Country

Ecuador



Fair Trade Public Policies Around the World Case Study

ENGLISH



SUMMARY

Ecuador is characterized by the unique nature of its public policies on Fair Trade. Several legislative texts make explicit reference to Fair Trade. Ecuador is the only country worldwide that positions the issue of Fair Trade so explicitly already in its Constitution¹. This has given a crucial push to the development of a National Strategy on Fair Trade. The following fact sheet concentrates on the Constitution and the National Strategy on Fair Trade.

BRIEF HISTORY

The Ecuadorean Constitution of 2008 deals with Fair Trade in several of its articles.¹ The interest and the political will of the government to support vulnerable groups was one of the key success factors, which led to the incorporation of Fair Trade into the Constitution. It gives a clear mandate to the state to implement Fair Trade.

The process of designing a national strategy on Fair Trade began in 2010 and was accompanied by a multi-stakeholder preparatory process over four years, involving representatives of different ministries, organizations, and networks of Fair Trade, Social and Solidary Economy, academia and private actors. In May 2014, a consensual proposal for an Ecuadorian Strategy on Fair Trade 2014-2017 was launched. The strategy focuses on two main goals and stresses four tasks required for their achievement².

In March 2017, the Ecuadorian Strategy for Fair Trade 2016-2025 was constituted as an official public policy of the state. An inter-ministerial committee, led by the Ministry of Production, Foreign Trade, Investment and Fisheries, coordinates and monitors the implementation process. Four technical working tables (working groups), each led by a governmental institution and made up of various ministries and actors from Fair Trade and the solidarity economy, were established for the implementation of the strategy. The technical tables have reported some partial, short-term achievements and concrete implementation activities.

Responsibilities, programmes and implemented activities by working group³

	Technical Table 1	Technical Table 2	Technical Table 3	Technical Table 4
Responsibility	<ul style="list-style-type: none"> Organizational strengthening as well as the offer of Fair Trade 	<ul style="list-style-type: none"> Promotion of Fair Trade and national marketing 	<ul style="list-style-type: none"> Financing 	<ul style="list-style-type: none"> Improvement of commercialization processes and opening of international markets

¹ e. g. “The State shall promote and ensure fair trade as a means of access to quality goods and services, which minimizes the distortions of intermediation and promotes sustainability” (Art. 336).

² For more information see Table 4 on page 23 of the study “Public Policies on Fair Trade”, <https://fairtrade-advocacy.org/wp-content/uploads/2021/11/public-policies-report-FINAL.pdf>

³ For more information see Table 5 and 6 on page 25f. of the study.

	products and services			
Programmes	<ul style="list-style-type: none"> • Programme for Fair Trade actors to develop an organized and sustainable offer • Productive improvement programme • Training programme in Fair Trade 	<ul style="list-style-type: none"> • Programm for the recognition and promotion of Fair Trade at local and national level • Project to promote responsible consumption • Programm of innovation and market promotion at national level 	<ul style="list-style-type: none"> • Project for the creation/ adaptation of specific lines of financing for Fair Trade 	<ul style="list-style-type: none"> • Programme for the recognition and promotion of Fair Trade at international level • Programme for the promotion and innovation of Fair Trade markets at international level
Examples of concrete implementation activities	<ul style="list-style-type: none"> • Simplification of procedures for the regularization of organizations • Trainings on Fair Trade 	<ul style="list-style-type: none"> • Support for concrete nationwide commercial activities, such as fairs and International Fair Trade Day • Support for obtaining health records • Creation of a guide for obtaining sanitary notification for national products • Preparation of a Fair Trade guide and a responsible consumption guide • Development of a market study and profile of the national consumer of Fair Trade products 	<ul style="list-style-type: none"> • Execution of a pilot project with five Fair Trade organizations to access associative credits 	<ul style="list-style-type: none"> • Development of a methodology for obtaining export statistics of Fair Trade products • Publication of four yearbooks on Fair Trade by Pro Ecuador, including official figures about the Fair Trade sector • Promotional events for the Fair Trade sector

SWOT ANALYSIS

Even though the concrete and comprehensive implementation of the Fair Trade strategy is still lacking, a very stable basis for implementation was set during the elaboration process and during the first years of implementation. Nevertheless, there are some key weaknesses, which currently hinder the implementation process. At the same time there are many opportunities that might pave the way of a smooth implementation. For example: both, the WFTO in Ecuador (Plataforma WFTO Ecuador) and the Ecuadorian Fair Trade Network (Coordinadora Ecuatoriana de Comercio Justo or CECJ) participate in the committee, that coordinates and monitors the implementation process and in each of the four technical tables and can articulate the needs and interests of Fair Trade small-scale farmers. Although the participation of many different actors might be very enriching for an implementation process due to the expertise, they contribute with, it might be a threat at the same time.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. An institutionalized, consensual, comprehensive, inclusive strategy with a clear and concrete action plan, and 	<ol style="list-style-type: none"> 1. A shortage of financial resources and the lack of a defined budget, in particular; 	<ol style="list-style-type: none"> 1. Very dedicated, experienced, and sensitized officials in the Vice-Ministry of Foreign Trade and Pro Ecuador; 	<ol style="list-style-type: none"> 1. Multiple and frequent personnel and institutional changes might hinder the continuity of knowledge, experience, and follow-up of

<p>defined institutional responsibilities;</p> <ol style="list-style-type: none"> Established and working structures; Involvement of all relevant stakeholders and their expertise from the very beginning. The Fair Trade strategy is valid until 2025 so there is time left to continue its implementation. 	<ol style="list-style-type: none"> Low knowledge and awareness of Fair Trade in most governmental structures; Limited involvement of small-scale producer organizations due to long response time and little time capacities available; The lack of a clear definition of Fair Trade at national level. 	<ol style="list-style-type: none"> The participation of the key Fair Trade networks is institutionalized; All relevant stakeholders are involved in the implementation process and can contribute with experience; The change of government might support further policies and concrete actions in favor of Fair Trade. 	<p>the implementation process;</p> <ol style="list-style-type: none"> Involvement of a high number of institutions and actors due to the coordination required might cause a slow-down of the implementation process; A lack of a unified voice due to fragmented collaboration inside the Fair Trade networks; Decreasing funds available for the implementation of the Fair Trade strategy due to COVID-19.
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LESSONS LEARNED

In the case of Ecuador, the experience from the preparation and implementation processes so far have shown that the successful, effective and sustainable implementation of the Fair Trade strategy depends on three key factors:

- the **continued involvement of all relevant stakeholders**, particularly of local governments, non-governmental organization and the Fair Trade actors and their networks

Due to the **diversity of the key stakeholders**, their very different visions, and objectives it is challenging to work with such a high number of actors, but it is very important to include all relevant experiences and perspectives.

- the **political and institutional will** to support Fair Trade, awareness of the importance and the role of Fair Trade and taking the responsibility in making concrete implementation steps

It is very essential to sensitize and raise the awareness of the **local government**, as they are the key political level to assess the consumers and for the implementation of national strategies and plans. For a successful sensitization process it is recommendable to go beyond the numbers and the quantitative aspects and to prove how Fair Trade contributes to better living conditions of small-scale farmers and which are the real positive implications of the Fair Trade business model. This can be done for example with the help of concrete studies and analyses.

- the **availability of financial resources**, managed preferably by independent institutions or third parties.

Non-governmental organizations play key role regarding the coordination, communication and mediation of projects involving many different ministries as well as regarding the independent management of financial resources.

FUTURE PERSPECTIVES & CONCLUSION

The actualization of the Fair Trade strategy is due in 2025. One very essential prerequisite for the continuation of the strategy beyond 2025 has been met: Fair Trade is part of the Constitution and the institutions have the obligation to actualize it. Nevertheless, the existence of a strategy or an action plan is still no guarantee for a successful and effective implementation. In the case of Ecuador this depends furthermore very much on the three key factors described. These three important pillars are partly existent and could be further developed, so that there is a lot of potential for a much more broader development of the Fair Trade sector in the country.

Images in this document: Page 1 – Piaveri Flower Producers, Ecuador. Photo: Sean Garrison.

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