

# A call for a stronger political engagement towards Fair Trade in Germany

Demand paper from the Young Fair Trade Advocates Germany

*The Young Fair Trade Advocates (YFTAs, hereafter “we”) is a programme launched in 2021 by the Fair Trade Advocacy Office (FTAO) to gather youth and EU civil society organisations to deepen knowledge on Fair Trade issues and engage at EU and national level with policymakers and other key stakeholders.*

*With this demand paper, **we are calling for stronger political engagement and commitment towards Fair Trade in Germany and the EU**, and encourage the youth to be more involved in this issue to support a fairer and more sustainable way of life. This paper is the result of consultations with stakeholders, reflections of YFTAs and exchanges held during a [webinar](#) organised by the YFTAs Germany on the 24th May 2022 gathering representatives of German civil society, policy makers and young activists.*

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## KEY DEMANDS FROM THE YOUNG FAIR TRADE ADVOCATES IN GERMANY

The concept of sustainable development and Fair Trade has gained a lot of momentum over the past years. We welcome this direction as young people living in Germany who have contributed to its development – from consuming more sustainably to engaging in policy making and pushing it higher on the political agenda.

However, economic and social inequalities, as well as environmental destruction are still present and closely linked. We fear the widening gap of inequality and climate change, and are strongly committed to increase awareness and foster considerable change in the way we produce, trade and consume.

Europe and Germany are committed to numerous agreements, initiatives and public policies with the aim for social and climate justice (Sustainable Development Goal, Green Deal, CSDD, NAP, etc.). To achieve these goals we cannot look at them in silos. **How can we expect farmers, workers, and artisans to adapt to higher environmental standards and regulations if they struggle to make a living from their production?**

We are confident that translating Fair Trade principles and values into public policies is a way to reach those goals holistically. Throughout the following pages our four demands are presented.

## A MORE AMBITIOUS LIEFERKETTENGESETZ AND CORPORATE SUSTAINABLE DUE DILIGENCE DIRECTIVE AT EU LEVEL

We welcome the ambitious German plan of the Lieferkettengesetz but to fully contribute to the SDGs, the following critical points must be addressed:

- **Cover the entire value chain without exception.**
- **Implement living wages and living incomes as committed to in the [Joint Declaration](#).** We are calling the German Federal Government to recognise that Living Income and Living Wage are a precondition to safeguard fundamental human rights, meet environmental standards and ensure the intended outcomes of the Lieferkettengesetz.
- **Enshrine new and improved civil liability provision.** A new cause of action must empower injured parties and increase the feasibility of successfully bringing claims against German companies for human rights violations before German civil courts. Enshrine civil liability. In the event of human rights violations along supply chains, German companies should be held liable under German civil law. We urge the German Federal Government to support and strengthen the civil liability envisaged in the European Commission's proposal on the Directive on Corporate Sustainability Due Diligence.
- **Advocate for assigning the burden of proof of proper due diligence to the respective companies in the Commission's Proposal.** The limitation of due diligence to established business relationships, as currently envisaged in the Commission's Proposal, would undermine responsible purchasing practices and penalise companies that refrain from switching suppliers on a regular basis. As a result, we urge the German Federal Government to advocate for the removal of this restriction.

For more details please refer to the analysis of the [Initiative Lieferkettengesetz](#).

## A WIDER USE OF PUBLIC PROCUREMENT TO SUPPORT FAIR TRADE AND MORE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

**“Promoting public procurement practices that are sustainable”** is one of the targets of the 12th Sustainable Development Goals (SDG). Given its significant market lever (about 12% of the GDP in OECD Countries), by sourcing from more socially and environmentally sustainable enterprises, it has the potential to significantly contribute to this goal. Despite this favourable legal framework, the proportion of public contracts that includes social and Fair Trade considerations remains low.

Therefore, we urge the German Federal Government to **make use of labels**, such as Fairtrade or the World Fair Trade Organisation, and **integrate them as a product requirement as part of the award criteria or technical specifications**.

This door has already been opened by the EU through its EU Public Procurement rules ([Directive 2014/24/EU \(43\)](#)), by allowing public authorities to incorporate sustainability considerations into their public procurement processes, such as awarding extra points to products of *“Fair Trade origin, including the requirement to pay a minimum price and price premium to producers”*. In this context, the question arises: **why don't we use the tools already existing to increase the share of Fair Trade products in Public Procurement?**

To read further recommendations on how to promote Fair Trade principles in Public Procurement, see [here](#).

## A FASTER ALIGNMENT OF THE TAXATION SYSTEM TO MEET THE GREEN DEAL'S SOCIAL AND CLIMATE OBJECTIVES

We welcome that the Green Deal acknowledges that “*well-designed tax reforms can [...] play a direct role, by sending the right price signals and providing the right incentives, for sustainable behaviour [...]*” and therefore “*... contribute to a fairer society and to a just transition*”.

Fair Trade products support this essential transition by guaranteeing living income and sustainable business practices. However, in our price sensitive markets, price is often hindering the upscaling of Fair Trade. Therefore, we urge the German Federal Government to:

- **Abolish the “[coffee tax](#)” for Fair Trade products.** Lowering the price can increase purchase frequency hence benefit people and the planet. Expert opinions prove the legal feasibility of a tax exemption for sustainable and fair products.
- **Take up on the campaign started in 2017 by [Fairtrade Germany](#), [ONE \(support the petition here\)](#)** and other civil society organizations to rescind the coffee tax for Fair Trade products.

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## A STRONGER INCLUSION OF THE YOUTH IN POLITICAL DECISION MAKING PROCESSES

In recent years, youth movements gained importance in raising awareness about environmental and socio-economic issues. Being a young movement ourselves, we have experienced the challenges of youth engagement in public policy making and strongly advocate for more:

- **A stronger financial and technical support** to Fair Trade and environmental projects initiated by young people in Germany.
- **A better inclusion of young voices in policy making processes.**

Linking youth engagement and political involvement is crucial to **guarantee a broad political representation** in our society, to raise concerns and priorities defined by young people.

**It is also a matter of social justice**, as the younger and future generations are and will be proportionally more affected by the consequences of climate change and economic and social inequalities implied by it.

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