



Terms of reference

Consultancy for estimating number of Workers in Small Producer Organisations

1. Background

1.1. Introduction

Based on Fairtrade Global Strategy 2021-25, the Fairtrade system seeks to grow impact for smallholders and workers through shifting the balance of power to farmers and workers, so they can secure decent and sustainable livelihoods.

The aim of this study is to contribute to the strategic pillar "empowered farmers and workers" in alignment with Fairtrade's Theory of Change leading to the impact area "sustainable resilient livelihoods".

1.2 Relevance of the study

Fairtrade International (FI) members fully acknowledge that enabling the access to rights of workers (including those in Small Producer Organisations (SPOs), in addition to farmers' access to markets and living incomes, is a responsibility of all stakeholders in the system as described by our strategy 2021-2025.

FI members also recognise that while various strategies, methodologies, processes, tools, programmes and projects to ensure the rights of workers within the system are in place, there is also a need to better understand the nature and types of labour that is engaged in SPOs. Previous studies have not provided a global count nor a methodology to count workers on farms, leaving a potentially large workforce invisible. Except for few studies, not enough is known of the reality of the situation of workers in some product industries, mixed with a lack of understanding of the complexity of the farming systems, and of the revenue systems for both farmers and workers. However, empowerment of farmers and workers is one of the strategic pillars of the Global Fairtrade strategy and therefore we want to make wage workers working on farms more visible.

There is a gap in the literature that this study will aim to close, namely how to robustly estimate the number of workers working on farms. In this sense, the majority of the studies on Fairtrade impact do not even attempt to construct samples of seasonal and permanent wage workers producing Fairtrade certified export commodities. On the rare occasions when wage workers are included in Fairtrade research, information on these workers is often collected from lists of wage workers provided, and sometimes selected by employers or by officially sanctioned worker representatives¹. Due to under-

¹ See CEVAL. (2012). Assessing the Impact of Fairtrade on Poverty Reduction through Rural Development (Final Report Fairtrade Impact Study Commissioned by TransFair Germany and Max Havelaar Foundation Switzerland). Center for Evaluation (CEval) Saarland University.

reporting, these lists are unlikely to contain all casual workers. The other main source is focus groups, with group membership guided by employers' advice or over-representing the leaders of the permanent workforce, rather than a representative number of illiterate casual (female) waged workers. The unrepresentative workers who appear on these lists or in these focus groups are all too frequently interviewed on their employer's premises and these interviews are unlikely to produce reliable information. Another study commissioned by Fairtrade on cocoa and banana workers, mentions as its main limitation that results are only reflective of the SPOs and workers included in the study, preventing to generalise the results and the conditions of the interviewed workers working on farms.

To support workers' rights and increase benefits from Fairtrade for workers of small-scale farmers, the Fairtrade system wants to gather more information on workers in SPOs on more regular basis.

1.3 Summary of the assignment

In different countries, products and regions this data estimation exercise will conduct a mapping and estimation of the nature and types of labour engaged in SPOs to understand on-the-ground labour realities to be able to identify and define how wage labour is hired on farm. The estimation can be tested through case studies on the field to test the robustness of the estimation methodology. By making visible wage workers currently not targeted in a concerted manner since the focus has been on workers in the plantations or workers hired by SPOs Fairtrade will enable to make concrete proposals to improve access to workers' rights and wellbeing. The lessons learned out of the data estimation exercise will enable a systematic way to account for workers in SPOs in other countries and for different productions by generating tools, processes, guidelines and methodologies.

The analysis needs to identify the various arrangements of hiring workers by smallholders in different countries, products and regions, understand the informal and or formal characteristics of those arrangements.

Barrientos, S., & Smith, S. (2006). *The ETI Code of Labour Practice: Do Workers Really Benefit? Report on the ETI Impact Assessment 2006. Part 4: Research Methodology*. Brighton: Institute of Development Studies, University of Sussex.

Ruben, R., Ricardo Fort, & Guillermo Zuniga. (n.d.). *Fair Trade program evaluation: Impact Assessment of Fair Trade Programs for Coffee and Bananas in Peru, Costa Rica and Ghana*. Centre for International Development Issues Nijmegen, Radboud University Nijmegen, The Netherlands.

Omosa, M., M. Kimani, & R. Njiru. (2006). *The Social Impact of Codes of Practice in the Cut Flower Industry in Kenya*. Natural Resources Institute and DFID.

This data estimation exercise will take into account lessons learned and relevant data within the system such as FLOCERT data on labour non-compliances and evidence found in research and evaluation studies². Recommendations from Producer Networks and members of Fairtrade's Workers' Rights Advisory Committee will also be considered, including information already available in the Fairtrade system on involvement of workers, especially temporary and informal workers in production. This information should be used to create robust tools, gather data and develop insights on workers in SPOs, challenges and identify feasible solutions.

2. Purpose and objectives

2.1. Purpose at impact level

The purpose is to make visible the (formal and informal) workers hired by SPOs and their members in order to positively influence both the situation of the SPOs and their members, as well as the workers working with these organisations and their members.

2.2. Main study objective

The main objective of this consultancy is to design, identify and estimate in an effective and efficient way the number of workers by category that are hired by SPOs for the main product categories (coffee, bananas and cocoa) to have a better understanding of wage labour performed on small farms to build a sound policy to address the issue.

2.3. Suggested approach

Given the methodological difficulties and constraints in reconstructing the samples of seasonal and permanent wage workers highlighted in the literature on the topic and presented in the previous sections, we propose an estimation exercise that relies on

² Cramer, C., Johnston, D., Oya, C., & Sender, J. (2014). Fairtrade, employment and poverty reduction in Ethiopia and Uganda.

Chan M. K, Brown P., & Levesque A. M. (2015). Hired labour on small producer organisations farms Incidence, working conditions and good practices: a literature review. Final Report for Fairtrade International, Ergno Associates Limited

Nelson, V., Hagggar, J., Martin, A., Donovan, J., Borasino, E., Hasyim, W., ... & Morales, D. (2016). Fairtrade Coffee A study to assess the impact of Fairtrade for coffee smallholders and producer organisations in Indonesia, Mexico, Peru, and Tanzania.

Bayer, C. N., de Buhr E., & Bertrand W. E. (2021). Contextual Analysis of Workers in Fairtrade certified Small-scale Producer Organizations: Cocoa Production in Côte d'Ivoire and Ghana; Banana Production in Colombia, the Dominican Republic and Peru

Dragusanu, R., Montero, E., & Nunn, N. (2022). The effects of Fair Trade certification: evidence from coffee producers in Costa Rica. *Journal of the European Economic Association*, 20(4), 1743-1790.

data already available within Fairtrade to define sound and credible estimation methodologies of wage workers on small farms.

Fairtrade collects figures for its main products at the aggregated level on several aspect of farming activities that can be used to estimate the number of wage workers working on the farm.

Elements that should be factored into the estimation exercise are that farmers -usually a couple- mostly rely on their own work and that of their family unit although the amount of family work varies greatly, and depends mostly on the age of the farmers. For this reason, various forms of labour exchange play an important role in many producing countries. One of the main reason why farmers hire workers to work on the farms comes down to too much work compared to what the family unit can manage due to various reasons (e.g. age). Some tasks like harvest are under time pressure so they require a large amount of work in a short period of time.

The suggested model need to be refined based on actual cases that could be verified through local researchers in one origin country focusing on one product with field visits in SPOs (between 3 and 5). For example to take into consideration possible differences of labor productivity not taken into account by the aggregated estimates collected by Fairtrade.

3. Scope, Methodology and Timeline

3.1. Scope

Secondary data of Fairtrade system collected by FLOCERT on cocoa, coffee and banana. If additional data collection is needed region and product will be specified.

3.2. Methodology

- From each country a sample of the organisations will be selected
- The organisations will be selected taking into account membership and production area in order to have different sizes of organisations and producers and therewith different organisational and labour contexts
- For each organisation, aggregated data or average data on production and packaging will be extracted, together with the number of SPOs workers
- The suggested model will be refined on case studies performed in the selected countries for the selected commodities.
- Previously commissioned desktop data review and collection of relevant information, FLOCERT data on labour non-compliances, publicly available research and community level monitoring data, National legislations, policies, procedures, projects/programmes in relation to workers at both SPOs and producer levels and research

3.3. Timeline

Overall period expected to have the final draft of the report detailing the estimation and chosen approach for counting workers in SPOs will be approx. 6 months.

- Call published: 12 May 2023
- Tender deadline: 05 June 2023
- We aim to have this research started by 26 June 2023 and ending, with all outputs delivered, no later than 01 December 2023.

4. Expected products

- a. Brief report of methodology and data analysis tools used and research ethics and protocol followed before commencing data collection
- b. Detailed narrative report that is a good balance of narrative explanation and data representation through clear graphs and tables. The report will follow a structure agreed such that it meets the objectives of the research and answers some of the guiding questions that have been articulated in this ToR. The report should have country chapters as well as overall synthesis chapter. Literature review should be a part of this.
- c. Validation workshop reports from the field where the data collection takes place and to validate estimation procedure of secondary data, discussion of challenges
- d. Back to office report after field work in order to share preliminary report with the POs from whom the data has been collected
- e. A presentation via webinar summarising the main findings and key recommendations
- f. Any photographs and/or video footage from the research
- g. All raw data collected through the research process
- h. Data collected on farm workers in SPOs
- i. An analysis of informality, access to rights and Decent Work deficits, based on the strategic pillars of the International Labour Organisation for any of the origins and distinguished between own-account labour and hired workers
- j. Recommendations
- k. A summary of the lessons learned

5. Required profile

The project will be awarded to a research institution which can propose a research team meeting the following criteria:

- Quantitative analysis and estimation
- Research skills
- Dealing with large quantity of data
- Project management

6. Project budget

The total budget for this project is currently 25,000€. Please note that all costs invoiced must be below this amount including a mandatory 19% VAT payable in Germany (as this is where Fairtrade is headquartered).

7. Application process

If you are interested in being considered for this tender, please send a short proposal (5-10 pages max) detailing:



- (1) how your research team meets the selection criteria (including links to past relevant work),
- (2) describing the approach you would take to the research,
- (3) a project timeline, and
- (4) a budget).

Please include your team's CV as an appendix (not counted towards the page limit).

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The contact person at Fairtrade International for this project is: Elisabeth Schneider (e.schneider@fairtrade.net)