Impact of Fairtrade on flower workers and market access of flower farms in East Africa

Study At-a-Glance

Introduction

More than one billion Fairtrade flower stems and young plants are sold each year, with workers earning €8.5 million in 2021 in Fairtrade Premium to invest in improving their lives and communities. Given the room for growth of Fairtrade flowers and the potential increase in benefits for flower workers especially, Fairtrade commissioned Social Policy and Development Consulting Limited to conduct a study on the impact of Fairtrade on flower and plant workers in major markets in East Africa, and on market access for these Fairtrade flower producers. In 2022, data were collected through mixed methods, comparing Fairtrade and non-Fairtrade producer organisations. The study covered 11 producer organisations in Kenya, Uganda and Ethiopia (nine Fairtrade certified, and two non-Fairtrade) and included:

- 524 respondents to a worker survey (428 from Fairtrade certified farms)
- 19 focus group discussions reaching 132 workers
- 28 key informant interviews with producer organisation managers, Fairtrade staff, and flower industry stakeholders
- 30 documents reviewed

East Africa Fairtrade flower facts

- 65 Fairtrade certified flower producer organisations
- 68,400 workers
- 5.1 billion stems of flowers produced in 2021, representing 97% of Fairtrade global production
- 2,900 hectares under certification

COUNTRIES COVERED IN THE STUDY

- Ethiopia
- Kenya
- Uganda
The Fairtrade Premium stands out as a key highlight in all Fairtrade certified organisations that contributes to workers' and communities' welfare.

Almost nine out of ten workers reported that they or their household members have individually benefited from Fairtrade Premium funds. According to worker respondents, the most popular uses of Fairtrade Premium are:

- education bursaries;
- home improvement items; and
- community projects such as water, health and school infrastructure.

In 2021, flower workers chose to invest €1.2 million from Fairtrade Premium funds (14 percent of the total) into education services for workers and families. The study also identified gaps in some workers’ awareness of amounts and use of Fairtrade Premium, suggesting different communication modes, especially for workers with less formal education, may be helpful. In addition, the non-Fairtrade farms financed some similar projects, such as school construction, using "corporate social responsibility" funds, which may be an additional source of funding for workers on Fairtrade farms to leverage.

### Key study findings

**Flower workers reported**

Fairtrade's core benefits as better working conditions, no perceived discrimination based on gender or ethnicity, and fairness in recruitment and promotions. Specific working conditions to which Fairtrade has contributed were noted by workers as:

- higher wages;
- better occupational safety and health conditions;
- improved worker welfare through the Fairtrade Premium;
- improved relationship between employees and management; and
- opportunities for workers to empower themselves through capacity building such as gender equality and skills training.

Sixty-nine percent of the workers on Fairtrade certified farms said that Fairtrade had led to higher wages compared to non-Fairtrade certified farms they know. Stakeholders also reported that wages across the industry had improved following the floor wage requirement in the Fairtrade Standard in 2017. Still, wage records showed that the proportion of Fairtrade farm workers earning at higher wage brackets is double what it is at non-Fairtrade farms. There is still a gap to a living wage, even on Fairtrade certified farms; almost as many workers (40 percent) stated their pay was not enough to meet most of their needs, as those who stated it was enough to do so (45 percent).

**The Fairtrade Premium plays a significant role in supporting workers' rights and gender issues, including women's rights, entrepreneurship and leadership skills.**

Workers reported they feel greater confidence to pursue their rights at work, develop outside businesses, and engage in their communities. Training by Fairtrade Africa results in workers having a broadened understanding of gender issues including rights as well as gender-based violence and sexual harassment. Women compete for the same positions as men and on average occupy more than 50 percent of leadership and management positions at Fairtrade certified farms. In this area, Fairtrade appears to progressively raise the bar in the industry, even though there is still much work to do on structural factors and cultural perceptions.

**Market access was central to the decision for producer organisations to pursue Fairtrade certification.**

Managers indicated that the benefits to producers and workers justified the cost of certification. While managers reported selling only an average of a quarter of their production on Fairtrade terms, and would like to increase that, they find benefit in other aspects of Fairtrade such as signing longer-term sourcing agreements with traders. Traders themselves articulated strong support for Fairtrade’s impact, and encouraged more efforts in marketing it to buyers and consumers. Because environmental standards are a priority for many stakeholders, Fairtrade now requires more consultation with communities, and should provide more support to farms on climate change and renewable energy alternatives.
Key learnings and recommendations

- **Fairtrade Premium**
  Fairtrade should encourage a wider dissemination of accurate information about the source and use of Fairtrade Premium funds to all workers, and provide more guidance on how organisations can ensure that projects are sustainable even when Fairtrade Premium income fluctuates.

- **Unions**
  Although many workers believed that freedom of association was respected, worker representatives from trade unions reported negative interference in their activities by some management representatives. Fairtrade should investigate developing additional tools and capacity building for unions and companies to support collective empowerment through trade union representation.

- **Wages**
  Fairtrade has to continue its work to improve wages towards living wages and further flower workers’ income improvements in order to ensure that they are able to earn enough for a decent living.

- **Specialist trainings**
  While Fairtrade Africa support in some areas is strong, producers requested more sector specialists with technical, commercial and advocacy experience to support flower and plant farms and workers.

- **Environment**
  Fairtrade should strengthen its environmental requirements to encourage farms to further develop their environmental management plans. Also, an environmental impact assessment and management plan that looks at the cumulative impacts by all producers in a region is recommended to be initiated by Fairtrade. Finally, Fairtrade should explore ways to reduce transport emissions of Fairtrade flowers.

- **Further assessments**
  Fairtrade should undertake a further targeted assessment of the realities, issues and risks faced by vulnerable flower workers (young people, women, migrants, part-time workers and single or divorced persons).

- **Marketing**
  Fairtrade should share more impact stories and information about Fairtrade with consumers and commercial partners, and create more forums for a common understanding between farms and the commercial partners.

- **Fairtrade Premium**
  “These women working on the flower farms around this area have been the face of change in this community. Many of them are the reason this area is growing because they have small businesses that they run, which have increased the economic activity in this area. They have indeed challenged our men and shown them they can do much more.”

  Key informant interview with a community leader in Ethiopia
Fairtrade’s response

Fairtrade welcomes the study and its detailed insights into the positive impacts that have been achieved in the East African cut flower and plant sector, as well as the suggestions for improvement. In the current Fairtrade Flower Standard review, we have already decided on stronger requirements on environmental practices and Fairtrade Premium management. A second consultation is planned during the second half of 2023 on wage and income improvement for flower workers. The minimum wage which must be paid by flower farms (Fairtrade floor wage) has been adapted to cushion workers against the impact of inflation and increased to US$2.15 per person per day, according to the new World Bank definition. Regarding unions, we have been investing in a dialogue process with trade unions in the flower sector so that there is an active communication channel. In addition, Fairtrade will discuss extending the scope of consultations during audits to union representatives outside the farms to improve triangulation of information collected during audits. Fairtrade’s aim is that elected worker representatives feel supported by management at all times in the performance of their duty to represent workers. The opportunities for – and responsibilities to – flower workers are significant, and will require commitment from traders, businesses, advocates and shoppers to continue expanding sales for Fairtrade producers and progressing toward living wages and better livelihoods.

1 Other studies have documented gender equality gaps, indicating a need to ensure reporting structures, protections and other policies are in place. An example of such a policy is Fairtrade International’s Protection Policy which requires follow-up (“act to protect”) on all allegations of workplace harassment, among other egregious human rights violations.

2 For example, in the revised Fairtrade Flower Standard, Fairtrade will add a requirement on the use of Fairtrade Premium to promote a more sustainable and coordinated approach (e.g., for proposed projects over US$5,000, Fairtrade Premium Committees need to coordinate with other certified producers or relevant entities in the same region).

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