



Climate Change and Fairtrade: Why Is It Time to Make the Links?

Climate change has proven not to be fair. In fact, those that contributed the least to this growing problem are currently being affected the most. Whether an agreement is reached at the UN Climate Change Conference or not, climate change will continue its course and will certainly continue to affect the most vulnerable. A positive agreement in Copenhagen would definitely contribute to slowing the evolution of climate change in the time to come but for the time being, the impact of this phenomenon is felt across the planet, especially in the Global South.

Many agricultural producers from the South are showing more and more their concern as they are increasingly affected by climate change. In order to address this new global issue and in solidarity with the most affected and least responsible, new ways to cope with the impact of climate change must be further supported and developed – adaptation¹ has increasingly shown to be the most adequate and effective approach to address climate change challenges. Mitigation efforts, on the other hand, must continue in order to reduce any impact on the environment.

As opposed to conventional trade, Fairtrade intends to provide producers from the South with fairer trade conditions that allow them to combat poverty, strengthen their position and take control over their lives. In doing so, Fairtrade has adopted and continuously promoted sustainable agricultural practices in the production of Fairtrade products. Fairtrade is also increasingly supporting adaptation measures to address growing climate change challenges in the Global South.

Fairtrade, thus, affirms its position not only as a guarantor of fairer trade conditions for producers in the Global South but also as an alternative option to support sustainable development and climate change mitigation and adaptation.

Climate change: environmental repercussions are on the rise

As indicated by the Intergovernmental Panel for Climate Change (IPCC) in 2007, natural systems across the planet are being affected by temperature increases.² The IPCC Fourth Assessment Report indicated that “weather patterns have become more extreme”.³ The main environmental changes taking place across the world include rising temperatures, decreased precipitation in sub-tropical latitudes, reduced water supplies, desertification, wild fires and, on the other hand, rising sea levels, rising precipitation in high altitudes, floods, changes in river run-off patterns, etc.⁴ The report also points out that weather patterns have become more unpredictable, which also explains out-of-season storms, heat and cold waves. Moreover, scientists are also indicating that climate change is also having an impact on the cyclone and hurricane seasons as more severe storms are taking place, more frequently.⁵ Projections suggest that the number of weather-related disasters is to triple by 2030.⁶

Economic and social impact on the Global South

According to the Global Humanitarian Forum, approximately 325 million people are affected by climate change every year.⁷ Studies indicate that this number is expected to double within 20 years.⁸ Unfortunately, the most affected by this global issue are the most vulnerable. In fact, the



populations that are most prone to climate change repercussion are those living in least developed countries and island states.⁹

Economic losses due to climate change are taking place worldwide. It is estimated that approximately 125 billion US Dollars have been lost, as a consequence of climate change.¹⁰ A recent study funded by the German Technical Cooperation (GTZ) suggests that farmers worldwide could see their incomes fall up to 90% in the next fifteen year – thirty million farmers could be affected.¹¹ Countries from the Global South are certainly the most affected, although they are the least responsible – developing countries, in fact, absorb more than 90% of the world's economic losses due to climate change.¹² On the other hand, developing countries have privileged the least from the industrial development and economic growth that has brought about climate change.

Agricultural production in the Global South is increasingly being affected by climate change repercussions like higher temperatures, increased rain, floods, and droughts.¹³ Fairtrade products have, consequently, been affected by climate change. Banana plantations in Ecuador and Costa Rica, for instance, were severely affected by floods taking place in 2008/09. Bananas producers have also been affected in Windward Islands due to an increased number of hurricanes occurring in the last couple of years. In a similar case, tea plantations in North East India were severely damaged by a typhoon that hit the country this year – concurrently, droughts took place in Central India.

A reduction in food production will certainly have an impact on hunger across the planet, especially in the Global South. As indicated by the United Nations Framework Convention on Climate Change, “crop productivity is projected to decrease for even small local temperature increases (1-2° C), which would increase the risk of hunger.”¹⁴ In addition, it should also be noted that an increase in food prices can also have a great impact on hunger. In fact, a reduction in food production topped with an increase in prices can have a devastating impact on populations across the planet – we have already witnessed food crises unfold in different developing countries in 2008 and 2009.

The Food and Agriculture Organization (FAO) estimates over one billion people suffer from hunger worldwide in 2009 (most of these people live in developing countries).¹⁵ The number of people suffering from hunger in 2008 was estimated to be 923 million.¹⁶ It is believed that climate change, alone, was responsible for causing hunger and malnutrition to approximately 45 million people.¹⁷ According to the Global Humanitarian Forum, the number of hungry people due to climate change is expected to almost double to 75 million within 20 years.¹⁸ Climate change has also contributed to creating more poverty.¹⁹ In fact, it is estimated that 12 million people have been pushed into poverty by climate change²⁰ and projections indicate that this number might double by 2030.²¹

Why Fairtrade?

Fairtrade works to support the sustainable development of all disadvantaged producers in the Global South. In order to do so, Fairtrade works to support producers' livelihoods, environmental sustainable development, and climate change mitigation and adaptation. By working at these three inter-related levels, Fairtrade presents a comprehensive approach to address climate change.



- *Supporting livelihoods*

Given the lack of fairness found within the conventional trading system, consumers support producers to receive a fair price by buying Fairtrade products. Producers are paid an amount that aims to cover the costs of sustainable production, which allows them to do future business projections. This is especially important in times of instability and volatility, as prices can significantly fluctuate. Producers are, thus, driven towards the Fairtrade system as they can see their livelihoods secured, given the fair price set and the stability that they can enjoy.

Producers also receive a Fairtrade Premium, which can be used for the implementation of local projects that support social and economic development such as building schools, enhancing production capacities, improving conditions for workers, etc. Projects to be developed are collectively selected in a democratic and transparent manner. The Fairtrade Premium has also funded certain projects that support environmental sustainable development and climate change adaptation (see *Supporting climate change adaptation*).

- *Supporting environmental sustainable development*

Fairtrade supports and promotes environmental sustainable development. This is mainly done through the adherence to environmental standards (minimum requirements), which all producers must comply with.²² In addition to the minimum environmental requirements, producers are asked to fulfill progress requirements that reinforce sustainable agricultural practices. Producers are, for example, encouraged to adopt organic production processes over time and subject to local conditions.²³

In terms of climate change mitigation, producers are also required “to ensure that they protect the natural environment and make environmental protection a part of farm management”²⁴ In order to do so, producers are asked to fulfill different mitigation requirements such as: no planting in virgin forest areas, conserving buffer zones close to water bodies, maintaining and enhancing the fertility and structure of soil, putting in place proper waste management techniques (reduce, reuse, recycle, and compost waste), minimizing the use of energy (especially energy from non renewable resources), etc.²⁵

It is also important to address certain misconceptions raised in relation to Fairtrade products and food miles.²⁶ First of all, consumers should take into account that in most instances, Fairtrade products do not compete with local products as they are often different, given that they are grown in warmer climates. Further, it should be noted that most products consumed today do come from different origins (including distant places) and if consumption decisions are to be made solely in terms of the distance travelled, this criteria should consequently apply to all products consumed and not only Fairtrade. Carbon emissions are, in fact, not limited to transportation; they are also caused through production and should, therefore, be taken into account. For products grown in Europe and North America, emissions due to production can be generally high as opposed to products grown in developing countries, in an environmental sustainable way. This is especially the case if the use of energy from non-renewable sources or synthetic fertilizers is taken into account. Lastly, it should be emphasized that producers from developing countries should not be penalized for the industrial development undergone in the Global North, which has greatly contributed to climate change. On the contrary, disadvantaged producers should get assistance in developing production mechanisms that help them avoid making the same mistakes.



- *Supporting climate change adaptation*

Research and practice have both indicated that adaptation is the most suitable method to face climate change challenges. Consequently, adaptation is certainly the most favorable option for developing countries, as they are hit the hardest by climate change. Adapting agricultural practices and improving water management techniques can certainly help in sustaining livelihoods and, thus, preventing migration and displacement.²⁷ Further, many adaptation measures also help to mitigate carbon emissions or to sequester carbon.

Climate adaptation, however, can be costly. As indicated by the Fairtrade Foundation, even slight adjustments need new equipment and training, which explains the difficulty to adapt.²⁸ Given the investments that need to be made, most producers settle for the most economical option, which often generates the lowest gains. Usually, these gains bring about a negative cycle as producers impoverish progressively. Adaptation efforts, thus, need to focus on prioritizing the best option for the producers in terms of economic return and environmental sustainability. Unfortunately, funding for adaptation in the Global South has been very minimal – this is mainly due to lack of accountability and consensus shown by developed countries. Other alternatives to further support environmental sustainable development and climate change adaptation are consequently greatly needed.

The Fairtrade Premium has been used by certain producers to invest in their production capabilities, including technologies that enhance production and help face new climate change challenges such as soil erosion, water shortages, and higher temperatures. In certain cases, producers have used this fund for different purposes such as planting trees in order to avoid soil erosion or counteract higher temperatures, constructing dams to capture water, investing in methods to use less water, etc.

Fairtrade wants to continue supporting climate change mitigation and adaptation as part of its environmental sustainable development goals.

Fairtrade: a global social response to address climate change

Fairtrade has proven to be a global movement connecting producers from the Global South, disadvantaged by conventional trade practices, and sensitized consumers. The Fairtrade movement has demonstrated to be an alternative mechanism to do trade that takes into account key principles such as social justice and environmental sustainability. The Fairtrade movement, thus, believes that conscious consumers from the North should continue selecting Fairtrade products in solidarity with populations from the South and in support of sustainable development, which takes into account both climate change mitigation and adaptation.



Endnotes

- ¹ Climate adaptation can be defined as “individual or governmental action to reduce present adverse effects or future risks of climate change”. *The Anatomy of a Silent Crisis - Human Impact Report: Climate Change*, p. 69
- ² IPCC, 2007: Summary for Policymakers. In: *Climate Change 2007: Impacts, Adaptation and Vulnerability*. Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, M.L. Parry, O.F. Canziani, J.P. Palutikof, P.J. van der Linden and C.E. Hanson, Eds., Cambridge University Press, Cambridge, UK, p. 8
- ³ *Idem*.
- ⁴ *Ibid.*, P. 11
- ⁵ *Egalité, Fraternité, Sustentabilité: Why the Climate Revolution Must Be a Fair Revolution?*, A Fairtrade Foundation Discussion Paper, October 2009. Available online at: http://www.fairtrade.org.uk/includes/documents/cm_docs/2009/c/climate_report_final.pdf
- ⁶ *The Anatomy of a Silent Crisis - Human Impact Report: Climate Change*, Global Humanitarian Forum, Geneva, 2009, p. 13
- ⁷ *Ibid.*, p. 9
- ⁸ *Ib.*, p. 12
- ⁹ *Climate Change: Impacts, Vulnerabilities and Adaptation in Developing Countries*, United Nations Framework Convention on Climate Change (UNFCCC), 2007, p. 6
- ¹⁰ *The Anatomy of a Silent Crisis - Human Impact Report: Climate Change*, p. 18
- ¹¹ For more information, please see: http://www.adapcc.org/download/gtz_Topicsheet-ROA_en.pdf
- ¹² *The Anatomy of a Silent Crisis - Human Impact Report: Climate Change*, p. 3
- ¹³ Research carried out by GTZ has shown that given the rise in temperatures, farmers in certain countries from the South need to grow their crops at higher altitudes (at an average of 3-4 meters per year). This study was carried out in Kenya, Mexico, Peru and Nicaragua. For more information, please see: http://www.adapcc.org/download/gtz_Topicsheet-ROA_en.pdf
- ¹⁴ *Climate Change: Impacts, Vulnerabilities and Adaptation in Developing Countries*, p. 11
- ¹⁵ For more information, please see: *The State of Food Insecurity in the World: Economic Crises – Impacts and Lessons Learned*, FAO, 2009
- ¹⁶ For more information, please see: *The State of Food Insecurity in the World: High Food Prices and Food Security – Threats and Opportunities*, FAO, 2008
- ¹⁷ *The Anatomy of a Silent Crisis - Human Impact Report: Climate Change*, p. 24
- ¹⁸ *Idem*.
- ¹⁹ Approximately, 2.6 billion people live in poverty (below \$2 per day) in the world and almost 1 billion of those live in extreme poverty (less than 1\$ per day).
- ²⁰ It is also important to mention that out of 350 million displaced across the planet, approximately 26 million are displaced because of climate change repercussions. This number will grow significantly as climate change disasters continue; this number could reach 50 million by 2010 (*In Search of Shelter: Mapping the Effects of Climate Change on Human Migration and Displacement*, p. 2).
- ²¹ *Ib.*, P. 36
- ²² For more information, please see: *Generic Fairtrade Standards for Small Scale Producers’ Organizations*, Fairtrade Labelling Organizations (FLO), 2009 (this document is available online at: http://www.fairtrade.net/fileadmin/user_upload/content/SPO_Aug09_EN.pdf); *Generic Fairtrade Standards for Hired Labour*, Fairtrade Labelling Organizations (FLO), 2009 (this document is also available online at: http://www.fairtrade.net/fileadmin/user_upload/content/HL_Aug09_EN.pdf)
- ²³ For more information, please see: *Generic Fairtrade Standards for Small Scale Producers’ Organizations*
- ²⁴ *Generic Fairtrade Standards for Small Scale Producers’ Organizations*, p. 12
- ²⁵ *Ibid.*, p. 12-20
- ²⁶ Food miles can be defined as the distanced food travels to reach the final destination where it is to be sold.
- ²⁷ *In Search of Shelter: Mapping the Effects of Climate Change on Human Migration and Displacement*, p. 1
- ²⁸ *Egalité, Fraternité, Sustentabilité: Why the Climate Revolution Must Be a Fair Revolution?* p. 7