



Home of Fair Trade  
Enterprises

# Mission-led enterprises & the Green New Deal:

## *Fair Trade Enterprises as proof of concept*

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Chief Executive  
World Fair Trade Organization  
15/4/2021



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# Proof of concept

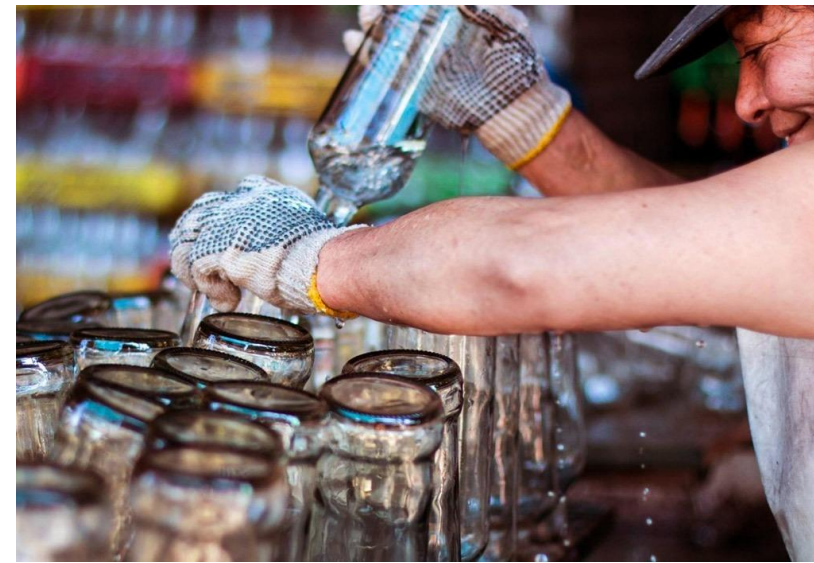


Photo: Prokritee

upcycling  
re-creating  
innovating



Artisans  
#CoolThePlanet



#FairTrade  
Resilience



# Fair Trade Enterprises are different

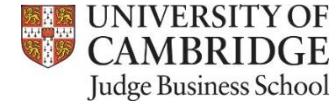
- Fully practice Fair Trade
- Prioritises people others don't
- Go places others won't
- Livelihoods focused

*e.g. WomenCraft Tanzania*





Home of Fair Trade Enterprises

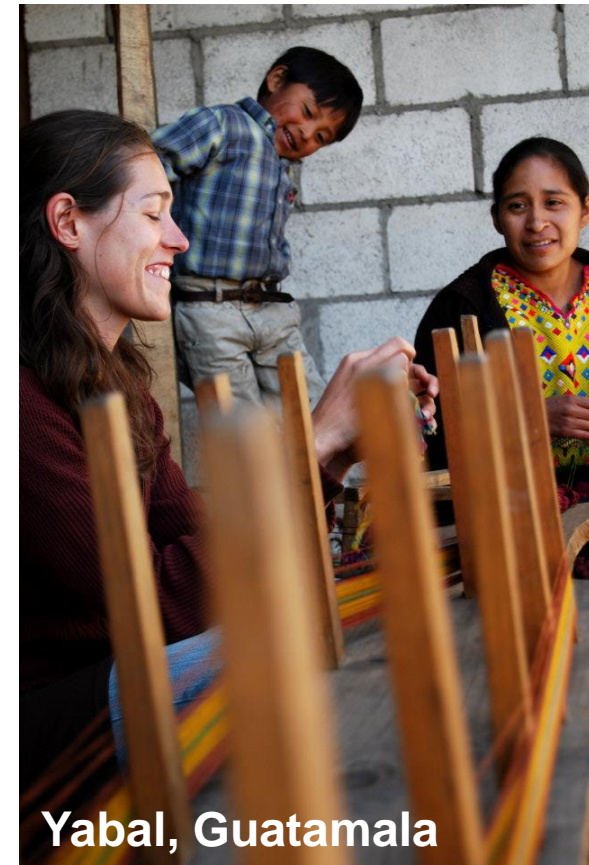


# Creating the new economy: business models that put people and planet first

- 323 WFTO members survey
- 62 bespoke survey responses
- 19 Case studies
- Insights on governance, innovation, commercial approach, inclusive business models



UNIVERSITY OF YORK UNIVERSITY OF CAMBRIDGE JUDGE BUSINESS SCHOOL TRAIDCRAFT Exchange HOME OF FAIR TRADE ENTERPRISES SEI Stockholm Environment Institute



Yabal, Guatemala



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[Full Report: wfto.com/jointhebusinessrevolution/](https://wfto.com/jointhebusinessrevolution/)



# The lowdown

22 January 2020

## Social enterprises

Government public procurement legislation should 'explicitly ensure' that calls for tender favour enterprises that pursue social and environmental goals, says new report issued at World Economic Forum in Davos co-authored by Dr Helen Haugh of Cambridge Judge Business School.



A new report issued today (22 January) at the World Economic Forum in Davos, co-authored by Dr Helen Haugh of Cambridge Judge Business School, calls for government public procurement legislation to "explicitly ensure" that calls for tender are designed to advantage social enterprises that pursue social and environmental goals.

"Public procurement is a powerful tool to drive better business practices, comprising 12 per cent of GDP across OECD countries," says the report. "An increasing number of public authorities are introducing Fair Trade and sustainability criteria in their calls for tenders. However, this is not enough. Government procurement legislation should explicitly ensure that calls for tenders are designed to advantage social enterprises, whether by requiring ethical certification, shaping weighting criteria for tender documents or by showing flexibility when it comes to quantities and lead times."



# CREATING THE NEW ECONOMY

Business models that put people and planet first

By Prof. Bob Doherty (University of York), Prof. Helen Haugh (Judge Business School, Cambridge University), Dr. Erinch Sahan (WFTO) and Mr. Tom Walls (Traidcraft Exchange), Dr. Simon Croft (Stockholm Environment Institute)



**UNCTAD** @UNCTAD · 22h  
The FAIR in #fairtrade also means #GenderEquality, says @UniOfYork professor Robert Doherty.

52% of @WFTO\_FairTrade members are run by women, compared to 8% of mainstream companies, according to a new study with @Cambridge\_Uni and @traidcraftex. [bit.ly/2TM4ein](https://bit.ly/2TM4ein) #SDG5



Sergi Corbalán and Fair Trade Advocacy

7 Retweets 10 Likes

**UN Geneva** @UNGeneva  
Full room at @UNCTAD @FairTradeFTAO debate on equitable, inclusive and sustainable value chains.

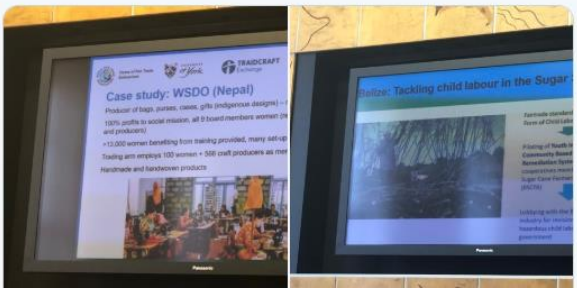
We need to look at the global value chain through the lenses of power. Women face a double power imbalance: in the supply chain and in the patriarchy - @FairTradeFTAO #EndInequality



4:16 PM · Jan 22, 2020 · TweetDeck

13 Retweets 49 Likes

You Retweeted  
**Simel Esim** @simcim · Jan 22  
Exciting @WFTO\_FairTrade report on new business models, social economy enterprises & emerging hybrids, engaged in #fairtrade - many #coops, regulation still catching up to these new hybrid forms in many of the countries of the global south



**Zee Bee Market** @ZeeBeeMarket  
"A new economy is emerging, one populated by enterprises born to put people and planet first."

This is why we do what we do! Thanks to the many of you who have supported our efforts to end poverty through #FairTrade sales. Look forward to sharing our mission in 2020 #SocEnt

**Social Enterprise Mark CIC** @SE\_Mark · Jan 22  
Love this from @WFTO\_FairTrade - research showing business models that put people and planet first #Fairtrade #BusinessRevolution

**Erinch Sahan** @ErinchSahan · Jan 22  
It's out! "A new economy is emerging, one populated by enterprises born to put people and planet first." See our new report & video on the alternative to profit primacy. Help us spread the hope! #BusinessRevolution #SocEnt #FairTrade [wfto.com/jointhebusiness...](https://wfto.com/jointhebusiness...)  
Show this thread



1 Like

**Alex Maitland** @alex\_maitland1 · Jan 22  
This research shows that the alternative to the shareholder first business model is thriving. @oxfam stands with @WFTO\_FairTrade and @traidcraftex, at #davos2020 we're urging governments, investors and businesses to adopt the paper's recommendations

**Erinch Sahan** @ErinchSahan · Jan 22  
It's out! "A new economy is emerging, one populated by enterprises born to put people and planet first." See our new report & video on the alternative to profit primacy. Help us spread the hope! #BusinessRevolution #SocEnt #FairTrade [wfto.com/jointhebusiness...](https://wfto.com/jointhebusiness...)  
Show this thread



4 Retweets 11 Likes

**Jonathan Matthysen** @MatthysenJ · 16h  
Replying to @ErinchSahan @UniOfYork and 4 others  
The original Fair Trade movement is back! Global challenges require bold ambition. Let's fight shareholder capitalism and put mission-led enterprises on the forefront. #BusinessRevolution

3 Retweets 7 Likes

**Patricia Alexander** @PatriciaA\_SI · Jan 22  
Great new report from @WFTO\_FairTrade #BusinessRevolution . This what @SharedInterest has been doing as a not for profit for the last 30 years & proud to be members of #WFTO [wfto.com/jointhebusiness...](https://wfto.com/jointhebusiness...)

1 Retweet 10 Likes



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UNIVERSITY of York



TRAIDCRAFT Exchange



Stockholm Environment Institute



UNIVERSITY OF CAMBRIDGE Judge Business School

# The Problem with profit-primacy

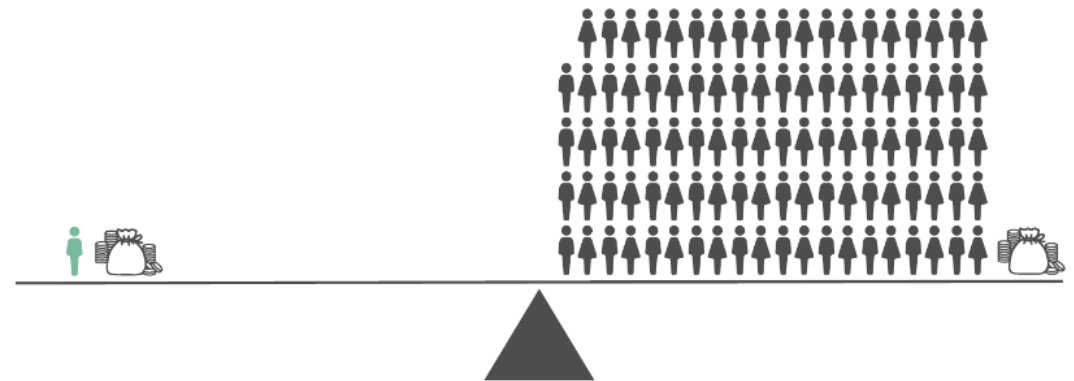
## Driving inequality

focus on extracting maximum profits for shareholders fuels inequality

## Damaging the planet

Obsession with profits limits investment in sustainability (only where business case is strong)

THE RICHEST 1% NOW OWN AS MUCH WEALTH AS THE REST OF THE WORLD



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## Case study: Manos del Uruguay

Owned by 12 women's producer cooperatives across Uruguay

All profits are reinvested or redistributed to the producers

Founded in 1968, now \$4.5-5 million sales per year

Owns two large stores in Montevideo but main market is exports, incl as private label producer for luxury brands



## Case study: WSDO (Nepal)

Producer of bags, purses, cases, gifts (indigenous designs) – majority export  
100% profits to social mission, all 9 board members women (represent workers and producers)

>13,000 women benefiting from training provided, many set-up own business

Trading arm employs 100 women + 566 craft producers as members

Handmade and handwoven products





## Gebana (Switzerland)

Annual turnover > €10m, with subsidiaries in the Netherlands, Burkina Faso, Togo and Brazil, turnover exceeds €31m

Network of customers, farmers and partners who share vision of fair trade

Shares profit with employees worldwide, founded by Swiss women's movement

Shares 10% of mango and cashew sales turnover directly with farmers



# Fair Trade Enterprises in 4 stats

## 1. Profits for purpose

92 per cent reinvest all profits in their social mission

## 2. Led by women

52 per cent of CEOs are women

## 3. More resilient

4 times less likely to go bankrupt

## 4. Can put people and planet over profit

85 per cent report actively sacrificing financial goals to pursue social or environmental goals, while retaining commercial viability



Last Forest  
India





Home of Fair Trade Enterprises

# Zooming into mission & structure

## Unique features of Fair Trade Enterprises



### Board

### Profits

### Governing documents

### Ownership

Mission-led organisations on board

Limits on profit extraction (reinvestment)

Legal form

Ownership by mission-led organisation

Worker /farmer representation on board

Distribution to workers or farmers

Constitution or By-laws

Collective ownership

Profits to social programmes or donated

*WFTO members have one of the above four structural features as a mechanism to lock-in their social mission.*







Home of Fair Trade Enterprises



# Enterprises of the new economy



Profit Primacy:  
Power & priority given to shareholders

## Recommendations for businesses

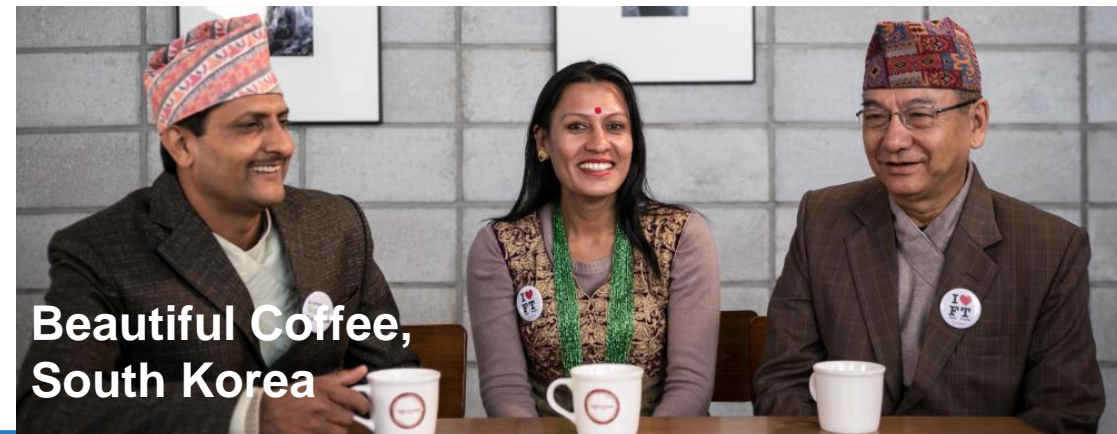
- Favouring and supporting in supply chains
- Adapt purchasing policies to accommodate their distinctive characteristics
- Report impact to create expectation of ethical practice

## Recommendations for investors

- Develop social investment funds targeting SEs
- Support throughout investment process and provide follow-up support
- Report SE investment fund performance to investors and stakeholders



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Beautiful Coffee,  
South Korea



## Recommendations for policy makers

- Support social finance initiatives that target SEs
- Support SEs to attend trade shows, create marketing materials, access market facilitation professionals and support public awareness-raising campaigns
- Public procurement policies makes calls for tenders favour SEs



ACP, Nepal





Photo: Sabahar

**stay natural**

[wfto.com/webshops](http://wfto.com/webshops)



**GUARANTEED  
FAIR TRADE**



Photo: Zotter Schokolade

**bean to bar**

[wfto.com/webshops](http://wfto.com/webshops)