

Via E-Mail: Fairtrade Licensees, Fairtrade member organisations

Cologne, September 2021

Südwind Study “Agriculture Workers in Fair Trade Certified Cotton Farms”

Dear Licensees and Member Organisations,

We write today to draw your attention to the planned publication of a study by the Südwind Institut. This study, “Agricultural Workers in Fair Trade Certified Cotton Farms”, a summary of which will be published in German in the last week of September, compares the working conditions of seasonal workers at Fairtrade Certified cotton facilities in the Indian States of Madhya-Pradesh, Gujarat, and Odisha with workers on conventional farms. Workers from the organizations Suminter, Om Organic, Pratima Agro, and Pratibha Vasudha participated in the study during the cotton harvest of 2020.

The study is strongly critical of Fairtrade. Working conditions and wages are described as little better than those on conventional farms; seasonal workers are said not to profit from fair trade. Additionally, surveyed workers told the research team that children under 15 years of age, including family members of producers, work in the fields. This was especially noted repeatedly in the agricultural region of Odisha. The organizations named in the study are all subject to the Standard of Contract Production, a preliminary step towards certification as Smallholder Farmers Cooperative. Such organizations are also required to adhere to ILO core labor standards for all workers – regardless of whether they are seasonal or permanent workers.

Although the study is methodically flawed and thus not in accord with general scientific standards – problems with the study include non-adherence to ethical principles in data gathering, a comparison group notably smaller than the group surveyed, inexact details on the ages of the children as well as the nature of their alleged work, and potential conflicts of interest in the statements of former farm workers – Fairtrade takes the conclusions of the study very seriously. For this reason, we immediately forwarded all available information directly to our certifier FLOCERT and, on July 13, formally commissioned an investigation of the organizations named in the survey. We have also requested Südwind, as well as the research team from the Center for Labour Research and Action (CLRA) in India that was commissioned with the study, to seek the involvement of government agencies such as the National Child Protection Agency and to themselves lodge complaints with FLOCERT. Additionally, the Producers Network NAPP is in discussions with the CLRA about the recommendations contained in the study. We are as well in close contact with Südwind and have discussed and evaluated the approaches, results, and critical statements in the study. At a conference scheduled for the end of September, during which the summary of the study will be presented, we will present Fairtrade’s position as follows:

Research for the study was carried out during the cotton harvest of 2020, during the first wave of the Corona pandemic. At the time of the interviews, India was in a state of great turmoil: schools were closed in the entire country from March 2020 until April 2021. As the first lockdowns began in March of 2020, hundreds of thousands fled from cities to their home provinces. All over the world, the pandemic clearly increased threats to economically, socially, and medically disadvantaged members of society, such as smallholder farmers, seasonal and migratory workers, women, and children. Since the beginning of the pandemic, many organizations including Fairtrade have warned of the potential consequences of closed schools and rising poverty due to faltering supply chains, mobility limitations, and higher costs of living. For this reason, we find the decision to carry out such a study in the middle of an unprecedented pandemic to be questionable.

The findings may allow conclusions to be drawn about the effects of the pandemic, but by no means do they illustrate the situation in a typical harvest. This is particularly the case given that India has been one of the countries most affected by the pandemic. Reverse migration has driven the risk of child labor upwards in the entire country. Physical inspections became at times impossible due to valid travel restrictions. FLOCERT has only been permitted to conduct virtual audits in India since August 2020; although this was an important step, this is no substitute for physical inspection on site. Nevertheless, even though physical inspections may uncover exploitation, they offer only an informational basis from which preventative measures can be taken. In many cases, exploitative child labor is the result of decades of structural disadvantage. Smallholder farmers often earn so little that they can hardly afford to pay harvest workers appropriately or to avoid using child labor. Fairtrade must also face these challenges. For this reason, Fairtrade relies on comprehensive programs and standards, political work, and support of local producers networks in addition to auditing.

The findings and recommendations of this study are an opportunity for us to examine our own methods, to address the problem areas in the organizations under study, and, generally, to raise consciousness around workers' and children's rights and to improve producer organizations' knowledge of the Fairtrade Standards. To this end, the producers network NAPP has first and foremost alerted its Protection & Safeguarding Committee and put together a reaction team made up of the relevant regional workers together with the NAPP Social Compliance and Risk Manager. The team is currently developing a program to be implemented together with the organizations on site. The core element of the program will be the strengthening of each producers organization's internal control system, the conducting of internal audits by the NAPP team within the organization based on the Fairtrade Standard requirements in the months to come, and subsequent agreement on a strict training program for the coming year based on the results of the audit. Still, we know all too well that the immense challenges in the Indian cotton sector cannot be pushed aside by trainings alone, and will not disappear quickly regardless of what method is used. Fairtrade is only a part of the solution here – worldwide development cooperation will be necessary to take on the deep roots of exploitation such as structural disadvantage and the poverty that it brings.

As a learning organization, we take this criticism very seriously and we will endeavor to further develop our Standards and programs appropriately. The results of this study will influence the revision of our Standards for contract farming as well as, indirectly, the next revision of our Cotton Standards. Revision of the Standards has already been proposed. We are also currently in discussions with FLOCERT and NAPP to consider supplementary control and auditing measures on site at the organizations and to raise producers' consciousness of Fairtrade's Standards and principles.

If you have questions about the study, this letter, or NAPP's planned measures, feel to contact us. We will of course keep you up to date on any developments. Press inquiries about this matter can be forwarded to our colleagues at the Fairtrade Press Office (presses@fairtrade-deutschland.de).

Sincerely

Fairtrade Germany