

An Evaluation of Fair Trade Premium Projects in South Africa – an English Summary

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Introduction and aim of the study

During a field trip to South Africa in the summer of 2007, we, students from the Red Cross School in Sweden, visited farmers within the FLO, Fair Trade Labeling Organisation. FLO gives a certain amount of money, the Fair Trade premium, on top of the price back to the farmer. The money is meant to improve the living and working conditions of small-scale producers and farm workers. The farm workers that are in the majority on a management body, a so-called joint body, or a premium committee should democratically make the decisions on the premium. The joint body makes a yearly premium work plan and document the premium use. Our aim was to see and evaluate the Fair Trade Premium Projects that the different farms had used their money for. We also wanted to study the premium projects effects on people's lives, the process of deciding what to do with the money and what the process itself could mean to the people involved in making the decision.

Results

During our field trip, we visited four farms; Lebanon Fruit Farm, Sun Oranges, Luthando Fruit Farm and Pineco.

On **Lebanon Fruit Farm** the money had been used for paying school fees, funeral fees and for buying computers. The members of the joint body expressed that the premium money meant a lot of difference for them and the other workers. They were happy to be members of the joint body since it was a way for them to learn and develop new skills.

On **Sun Oranges** an amount of the money had been used for building a computer-training centre which some of the workers had access to. They also had plans in building a huge community centre near the farm, which would include a lot of facilities. The project however had not really started yet and a major part of the money had therefore not been used. The members of the premium committee were expressing lack of faith in that the

centre ever would be built. They also expressed they themselves were not taking part actively in the decision process since it was actually made by the main owners of the farm.

On **Luthando Fruit Farm** the premium money had been used for building a computer training centre, a meeting hall, a children day care centre and two luxury cottages to be rented out to tourists and visitors on the farm. The members of the joint body expressed pride in being members and also of the achievements of the premium projects. The ideas of what to use the money for were however mainly coming from the main owner of the farm, which in turn meant that the decision making process otherwise would take too long time.

On **Pineco** the premium money was used for improving the workers houses. The farm workers expressed that it had meant a lot to them. When they decided what to do with the money, they held a meeting where all of the workers had a vote. Since they were cooperative, they did not have a joint body like the other farms.

Discussion and conclusions

Visiting the farms and speaking with farm workers, owners and members of the joint body made us see some good outcomes of the Fair Trade Premium Projects and also some examples of things yet not working so well. In total, most workers we spoke with seemed to appreciate the opportunities that the Fair Trade premium money gave them in terms of better living and working conditions. During the trip we sometimes had problems communicating with and interviewing many of the workers due to language problems and other matters, which makes this study based on a rather small number of people. It was also difficult in getting to see documentation from meetings, to evaluate how the decision making process had worked and to really know how many people that actually gained from the different projects. To evaluate this, future studies needs to be made within this area.