

# Fair trade phenomenon and its evolution in Visegrad countries

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## ABSTRACT

**Objective:** The objectives of this paper are as follows: to describe how the Fair Trade movement supports the achievement of the Sustainable Development Goals (SDGs), also using A Theory of Change, to analyze the Trade Fair phenomenon in the global scale, in the V4 countries and make a comparison with selected EU countries as well as an attempt to develop recommendations for the Visegrad Group countries in terms of the Fair Trade development.

**Research Design & Methods:** The research methods applied in the article are: studying the literature of the subject, analysis of source texts, the descriptive method and deductive reasoning (the observational method combined with a case study).

**Findings:** Fair Trade development level and the sales level in the analysed countries considerably differ from other developed EU countries.

**Contribution & Value Added:** Therefore, it was proposed in the recommendations to use the UK benchmarks and take advantage of the economic potential of the V4 group.

**Article type:** research paper

**Keywords:** Fair Trade; Visegrad Group; Sustainable Development Goals; Theory of Change; the poor South

**JEL codes:** P45, M14, F23, P33

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## INTRODUCTION

Under the current level of internationalization and globalization some disturbing socio-cultural, demographic and civilization phenomena, including the allocation of the population of the globe in terms of income and living standards, can be observed in the world. In September 2015, the United Nations General Assembly adopted a set of 17 overarching global goals to combat poverty and achieve sustainable development by 2030. They were called the Sustainable Development Goals (SDGs).

Covering topics from gender equality to climate change, and education to clean drinking water, they represent a powerful opportunity to improve the lives of 1.3 billion small scale farmers and agricultural workers upon whom the world depends to produce our food and protect our planet (United Nations, 2020). This is an urgent call for action by all countries – both the developed and the developing – in a global partnership. Many international organizations and programs support the implementation of these ambitious goals. The goals merely provide a framework. It is up to governments, but also businesses and civil societies, to take action in order to ensure they are achieved.

Fair Trade<sup>1</sup> is one of the movements supporting the implementation of SDGs. How does Fair Trade contribute to the SDGs? There is a large amount of cross-over between the SDGs and Fair Trade's work. In fact, of the 169 targets underlying the goals, there is barely a single one that is not somehow related to food and farming. This means that smallholder farmers and workers have a central role to play (Fairtrade International, 2020a). Fair Trade has a direct and indirect impact on all 17 goals. A theory called A Theory of Change was also created. It describes the change that an initiative wishes to see in the world and its understanding of how it will contribute to that change. Fairtrade International has developed a Theory of Change for Fairtrade as a part of work to improve the Fairtrade Monitoring, Evaluation and Learning – MEL system.

Not only the richest countries in the world, but also the countries of our part of Europe should participate in the implementation of SDGs' goals. Moreover, it poses a challenge for the Visegrad Group countries (V4), characterized by a high standard of living of the population, high position in economic rankings – for example with regard to GDP, and Human Development Index – HDI. The Fair Trade phenomenon has also been developing in the V4 countries for several years. In the face of the processes mentioned above, ideas of responsibility and justice occur more and more often, particularly in the international context.

The objectives of this paper are as follows: to describe how the Fair Trade movement supports the achievement of The Sustainable Development Goals – SDGs, also using A Theory of Change, to analyze the Trade Fair phenomenon in the global scale, in the V4 countries and make a comparison with selected EU countries as well as an attempt to develop recommendations for the Visegrad Group countries in terms of the development of Fair Trade.

In the first part of the article there is a synthetic summary of the selected studies results focused on Fair Trade, then material and methods that were used, in the next section description of the relationship between Fair Trade and The Sustainable Development Goals. Then we can find Fair Trade product trading worldwide analysis, Fair Trade product trading in the V4 countries (very difficult to find data) and finally – very important section – recommendations for the V4 countries with regard to the development of Fair Trade.

## LITERATURE REVIEW

The world literature presents numerous studies on Fair Trade. Since the global financial crisis of 2007-2009, the subject of Fair Trade – and even Fair Trade tourism – has increase-

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<sup>1</sup> The terms Fairtrade, Fair Trade and others often appear in the literature. "Fairtrade" – defines the product certification system owned by Fairtrade International. "Fair Trade" – this concept is broader in meaning than "Fairtrade" and refers to the entire Fair Trade movement, including individual organizations and product certification systems. The last term will be used in the article.

ingly appeared in the economic discourse. Analyzing the amount of scientific articles using a popular search engines we can observe that the issue of Fair Trade is, interestingly enough, relatively more and more frequently found in published economic literature. For example, when the Google Scholar – a well-known site of the scientific world – search engine was used, after entering the term "fair trade"<sup>2</sup> 27,300 search results in years 1989-2008 (20 years) were found, while in the period 2009-2020 (only 12 years) as many as 37,700. In the year 2020 alone (three months between January and March) we had 2,050 articles or books.

Table 1 shows examples of a synthetic summary of the selected studies results focused on Fair Trade, the articles analyzed below cover the post-crisis period. In the table below we can find subjects and short conclusions of reviewed publications.

**Table 1. Summary of some research results focused on Fair Trade**

Reference	Subject	Conclusions
Aude-brand&Pauchant 2009, 343-353	Can the fair trade movement enrich traditional business ethics? A historical study in Mexico	Historical study of fair trade movement focuses on the originalities and challenges of the FT movement and its contributions to the current theory and practice in business ethics.
Bezençon&Blili 2009, 95-113	Fair trade managerial practices: strategy, organization and engagement	The motivations of distributors of fair trade products and how they organize and communicate fair trade values (strategies, managerial practices, distribution).
Doran 2009, 549-563	Research in the U.S. on Fair Trade consumption	There are significant interactions between personal values and fair trade consumption and that demographics proved to be useless in creating a profile of the American Fair Trade consumer
Jaffee & Howard 2010, 387-399	Corporate cooptation of organic and Fair Trade standards	Corporate firms have deployed to further capital accumulation and to defuse threats to their profit margins and to status quo production, pricing, labor, trading and retailing practices.
Nicholls 2010, 241-255	Fair Trade as a form of social entrepreneurship	A neo- institutionalist perspective to analyse Fair Trade not simply as a new exchange model working within existing organisational and economic structures, but rather as an agent of institutional entrepreneurship.
Wilson 2010, 84-92	Long-term indebtedness, rising production costs in Nicaragua	Effort to raise the Fair Trade minimum price and premium for coffee through Fair Trade Labelling Organizations International (FLO) in 2008 demonstrated a good first step toward improving farm-gate prices.
Goworek 2011, 74-86	Literature on ethical fashion companies	Description of a significant trend for retailers to offer ethical clothing ranges made from organic cotton or produced by Fair Trade manufacturers.
Bondy& Talwar 2011, 365-383	Fair Trade consumers v. global economic recession	The results reveal a discrepancy among fair trade consumers in Canada, US and UK.

<sup>2</sup> Quotation marks were used in the search. For example: searching for 'wojciech profit' will give us results as if we combined the words 'wojciech' and 'profit' with the logical conjunction OR. A query "wojciech profit" (quotation marks) will give us only those results that contain the string "wojciech profit" in any part of the article or metadata.

Reference	Subject	Conclusions
Pedregal&Oz-caglar-Toulouse 2011, 655-660	Fait Trade phenomena in France	The lack of access to information and financial resources can explain consumers' refusal to purchase fair trade products
Andorfer& Liebe 2012, 415-435	Current state of research on individual consumption of Fair Trade in the USA and UK	Compared to other fields of research on ethical decision making, scholars are only just beginning to understand and explain individual FT consumption.
Raynolds 2012, 276-287	Theoretical and empirical parameters of social regulation in global food markets, focusing on the rapidly expanding Fair Trade initiative	Fair Trade success deepens competition and buyer control and erodes peasant base. Growth in new areas creates opportunities for working with labor organizations.
Yang, Hu &Mupandawana, Liu 2012, 21-34	Consumer willingness to pay for fair trade coffee: a Chinese case study	Results show that on average, consumers were willing to pay 22% more for a medium cup of Fair Trade coffee compared with traditional coffee.
Shahzad &Sillanpää 2013, 29-31	The role of fair trade in developing corporate social responsibility	Fair trade firms give equal importance to economic, social, and environmental responsibilities.
Doherty, Davies &Tranchell 2013, 161-189	The discourse surrounding Fair Trade mainstreaming, and discusses the potential avenues for the future of the social movement	The paper highlights a number of benefits of mainstreaming, not least the continued growth of the global Fair Trade market. However, the paper also highlights the negative consequences of mainstreaming on the long-term viability of Fair Trade as a credible ethical standard.
Stratton & Werner 2013, 363-374	In-store field study: consumers purchase behavior of Fair Trade-labeled coffee in a privately owned coffee shop	Implications for the use of point-of-purchase advertisements and consumption of products promoting labels such as Fair Trade were discussed.
Forno& Graziano 2014, 139-157	Social movements in the current economic crisis	Description of analytical framework which will combine social movements and political consumerism theories by focusing on two basic dimensions: consumer culture and organizational resources.
Dragusanu, Giannucci&Nunn, 2014, 217-236.	"Economic sense" of Fair Trade	Critical overview of the economic theory behind Fair Trade, describing the potential benefits and potential pitfalls
Jaffee 2014	Benefits of Fair Trade for producers	Actual effect of Fair Trade for coffee farmers in Mexico
Ladhari&Tchetgna 2015, 469-477	The study investigates the motives underlying the consumption of Fair Trade (FT) products	3 types of personal values are important: self-directed, equality and social justice, and power and social status. Also Fair Trade advocates are predisposed toward equality and social justice values.
Child 2015, 601-618	Comparison of Fair Trade and Socially Responsible Investments	Three hypotheses: the relation motivations hypothesis, the material interests hypothesis, and the organization of credibility hypothesis.

Reference	Subject	Conclusions
Bieler 2016, 31-41	The role of TNC in Free Trade and Fair Trade	In the long-term the way production itself is organized, needs to be transformed (different trade arrangements, challenging more fundamentally the capitalist social relations of production).
Chatzidakis, Kastanakis&Stathopoulos 2016,95-109	Socio-Cognitive Determinants of Consumers' Support for the Fair Trade Movement	The findings suggest that the psychological processes underlying fair-trade consumerism are inherently more complex than assumed in previous research.
Bailey, Bush, Oosterveer&Larastiti 2016, 59-68	The role of middlemen in Fair Trade USA fishery: yellowfin tuna from Indonesia	Introduction of Fair Trade has facilitated a rapid reorganization of value chain structure in the fishery with notable impacts on fisher perceptions of the resource and the market
Mora-včíková&Gregová 2016, 340	Fair Trade as a tool of Corporate Social Responsibility	Fair Trade connects developed countries and social changes are needed most. This is a manifestation of humanity that helps producers to escape acute poverty and lead dignified lives.
Burnett 2017, 28-29	New Perspectives on the Fair Trade and Food Sovereignty Movement Strategies to Challenge International Trade Governance	Both movements' strategies are necessary for changing the international agricultural trade regime, and neither alone is sufficient.
O'Connor, Sims & White 2017, 105-112	Standard Theory of Planned Behaviour (TPB) v. attitude to purchase fair trade foods	First, the reliability of the extended TPB measures was confirmed via confirmatory factor analysis. Second, a proposed model predicting people's Fair Trade purchasing behaviour showed a good fit via structural equation modelling.
Miller 2017, 249-269	Issue of trade within the broader literature on international and global justice	Eight different conceptions of 'fair trade' and the principles that lie behind them.
Goff 2018, 521-543	Fair trade: global problems and individual responsibilities	Consumers have duties of fairness that are specific to their roles as participants in global trade, given that their trading partners have unmet claims under present non-ideal conditions
Rössel& Schenk 2018, 266-284	Political consumption v. activism for the Fair Trade	Political consumption is not only an academic field of research, but an increasingly widespread attempt to influence corporations and politicians by market choices
Naylor 2018, 1027-1046	Literature on diverse and community economies to examine Fair Trade exchanges – example of Mexico	Explanations of Fair Trade as "alternative" and multiplying of our understanding of what fair trade is. Utilizing data collected in Chiapas, Mexico with two coffee producing cooperatives and their U.S.-based partner roasters.
Nunn 2019	Causes and consequences of Fair Trade certification	Reflections on the impressive growth of Fair Trade-certified imports over the past two decades
Wang & Chen 2019, 66-72	Effects of perceived justice of Fair Trade organizations on consumers'	Practical suggestions to Fair Trade related businesses and organizations, enabling these entities to

Reference	Subject	Conclusions
	purchase intention toward Fair Trade products	accurately determine directions for the promotion and marketing communications.
Konuk 2019, 141-147	Consumers' willingness to buy and willingness to pay for fair trade food	Consciousness for fair consumption has the greatest influence on intentions.
Singh & Singh 2020, 1425-1431	Fair Trade in food sector	The article tries to elucidate fair trading in food and agricultural sectors and highlights the recent progress achieved, with a wider goal of achieving a sustainable development especially in the developing countries.
Bartels, Reinders, Broersen & Hendriks 2019, 1-25	Company's fair trade reputation	Skepticism and consumer brand identification play an important mediating role in the relation among reputation, fit and consumers' electronic word-of-mouth intentions.
Hur, Lee & Stoel 2020, 186-206	Fair trade advertising	This study examined whether and when information type is an effective advertising strategy for fair trade products. Advertisers who promote fair trade products should consider the combination of information and visual-written (in)congruency.
Zhang & Liu 2020, 1205-1227	Fair Trade in China	Initial investigation into Fair Trade supply chain management in China, with a focus on its opportunities and challenges.

Source: own study.

## MATERIAL AND METHODS

In the face of the processes mentioned in the Introduction, ideas of responsibility and justice occur more and more often, particularly in the international context.

The aims of this paper are as follows: to describe how the Fair Trade movement supports the achievement of The Sustainable Development Goals (SDGs), also using A Theory of Change, to analyze the Trade Fair phenomenon in the global scale, in the V4 countries and make a comparison with selected EU countries as well as an attempt to develop recommendations for the Visegrad Group countries in terms of the development of Fair Trade.

The research methods applied in the article are: studying the literature of the subject (scientific articles, books), analysis of source texts (dedicated websites, reports), the descriptive method based on the literature studies and deductive reasoning- based on the observational method combined with a case study of 4 selected countries belonging to the Visegrad Group.

Available statistical data (annual reports) of organizations which deal with the above subjects were used. In addition, to acquire relevant data, the author of the paper established cooperation with entities operating in Fair Trade in the analyzed V4 countries – Fairtrade Česko and Slovensko, Hungarian Tudatos Vásárlók Egyesülete and Fundacja "Koalicja Sprawiedliwego Handlu" – Fairtrade Polska. Through the author's individual contacts, it was possible to gain unique, very difficult to obtain statistical data that was used in this article. It is worth emphasizing that some of this data is not published anywhere and collecting them in one place (as well as scientific study and critical evaluation) is a great added value.

## RESULTS AND DISCUSSION

### Fair Trade and The Sustainable Development Goals

Fair Trade is one of the movements supporting the implementation of the SDGs. It was decided to prioritize goals and support them. Eight main objectives were selected, which are the organization's most dynamic activities. These are the aims and the description of the implemented activities (Fairtrade International, 2020b).

**Goal 1:** to end poverty in all its forms everywhere

This goal is central to the Fair Trade's mission. All of operation activities stems from this overarching goal as they seek to ensure that trade enables smallholder farmers and workers to earn a decent living and have a brighter future for themselves and their families.

**Goal 2:** to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture

Small-scale farmers continue to provide a large percentage of the world's population with food. That means creating robust livelihoods is crucial for achieving this goal. Fair Trade enables more secure and stable incomes for small-scale farmers and supports them in building strong, resilient businesses.

**Goal 5:** to achieve gender equality and empower all women and girls

The United Nations Food and Agriculture Organization (FAO) has identified that overcoming gender inequalities can reduce the number of hungry people in the world by 150 million (FAO, 2020). Fair Trade supports women in equal participation in agriculture, earning better wages and diversification of their income and opportunities.

**Goal 8:** to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

In line with the United Nations International Labour Organization (ILO, 2020) Fair Trade promotes better working conditions, supports workers to negotiate for better pay and is striving to achieve living wages for workers on Fair Trade plantations. Their standards prohibit child and forced labour and they work with young people, communities, producer organisations and governments to enable them to tackle the root causes themselves.

**Goal 12:** to ensure sustainable consumption and production patterns

Fairtrade is the leading ethical label worldwide (Fairtrade International, 2020c). Through their campaigns and advocacy work, they bring together thousands of communities and millions of consumers worldwide to campaign for fairer trade. They are also developing markets in the South, for instance in India, to enable the growing consumer base to make sustainable lifestyle choices.

**Goal 13:** to take urgent action to combat climate change and its impacts

Small-scale farmers are already bearing the brunt of a changing climate. Fair Trade works with producer organizations and climate experts to build farmers' resilience to climate shocks and stresses and thus be better equipped to adapt to, and mitigate their own impacts on global warming (Fairtrade International, 2020d).

**Goal 16:** to promote Peaceful And Inclusive Societies For Sustainable Development, Provide Access To Justice For All And Build Effective, Accountable And Inclusive Institutions At All Levels

Fairtrade focuses on building democracy from the ground up. Producers are equal owners of Fairtrade. From deciding on how to use their Fairtrade Premium, right up to determining global Fairtrade strategy, producers (including women, men, youth, migrants and people with disabilities) have a strong voice and are empowered to demand accountability of their organizations (Fairtrade International, 2020e).

**Goal 17:** to strengthen the means of implementation and revitalize the global partnership for sustainable development

Power imbalances in supply chains that favour companies over small-scale farmers in developing countries can be a barrier to implementing the SDGs. Fair Trade works with multiple partners – producer organizations, businesses, trade unions, civil society, governments and other multi-stakeholder bodies (Fairtrade International, 2020f). The Fairtrade Theory of Change can help achieve these goals (Fairtrade International, 2020g). For example:

1. Fairtrade International has developed a Theory of Change for Fairtrade as a part of work to improve the Fairtrade Monitoring, Evaluation and Learning (MEL) system – the key to understanding the outcomes and impact of Fairtrade and improving approach.
2. The Theory of Change is a generic theory which MEL staff will use as a guiding framework for the designing of monitoring and research activities. However, by analysing data resulting from these MEL activities, it will be possible to test assumptions underlying the Fairtrade approach (for example, the assumption that strengthened small organizations.)
3. The Theory of Change captures the range of activities Fairtrade does as a system (i.e. its interventions) and relates these logically to desired immediate, mid-term and long-term changes. It thereby provides a framework for identifying appropriate indicators for measuring the results of Fairtrade and progress towards Fairtrade’s goals – also connected with the Sustainable Development Goals.
4. The Theory of Change can also improve communication regarding Fairtrade/Fair Trade, both internally and externally, and help ensure there is a common understanding about goals and approaches.
5. The Theory of Change has been used as the basis to review existing indicators used by the Fairtrade system to monitor results and to develop an expanded set of core indicators that more fully reflect the range of themes that are in the Theory of Change.
6. The theory stresses the importance of consumer purchasing decisions (behaviour) – the goal is to raise awareness among citizen-consumers of the negative effects of unfair trade, and to enable them to use their purchasing decisions to show their support for small producers and workers in developing countries.

So, as can be seen above’ Fairtrade/Fair Trade is closely aligned with the Sustainable Development Goals and together with farmers and workers, civil society, governments and businesses. Specific rules such as “Make trade fair”, “Empower small producers and workers”, “Foster sustainable livelihoods”, “Consumer behavior modeling” help in achieving the goals set by the United Nations and known as the Sustainable Development Goals.

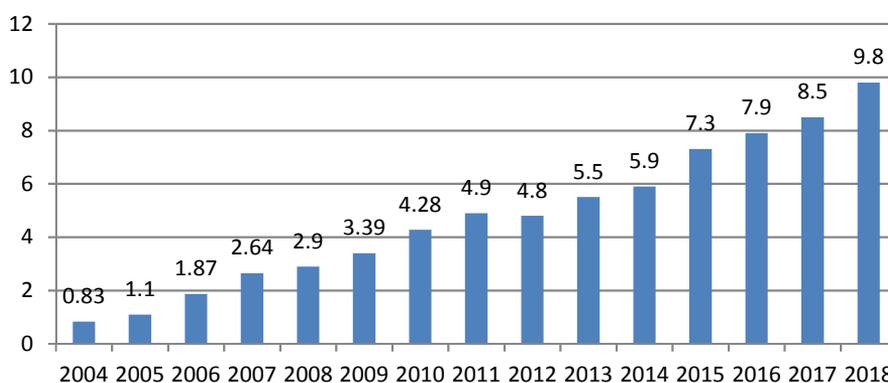
### Fair Trade product trading worldwide

The evolution of Fair Trade has been observed for over half a century. We can distinguish three Fair Trade concepts that are related to the models of selling products produced by poor farmers (Dragusanu *et al.*, 2014; Moravčíková & Gregová, 2016):

1. an alternative movement – opposition to globalization,
2. resignation from commodification (commodification),
3. liberalization of access to markets of rich countries – availability of goods from countries of the poor South.

Fair Trade products are sold through two distribution channels. The first is the traditional way through an integrated supply chain in which Fair Trade products (craft products, food, etc.) are manufactured, imported and distributed by certified FT organizations that participate in this process, e.g. WFTO members – World Fair Trade Organization (2020) or EFTA – European Fair Trade Association (2020). The second method uses a product certification system in which goods that meet the standards are marked for identification by retail customers.

According to the latest report “Choosing a fairer future through trade 2018-2019”, prepared by the International Trade Fair organization, consumers in over 158 economically developed countries spent about EUR 9.8 billion on Fair Trade products (Fairtrade International, 2020h). It means a fivefold increase compared to a decade ago. In 2018, in 73 countries of the world there were already over 1.7 million of small producers and farmers operating in the Fair Trade model, and within so-called social premiums they obtained about EUR 176.5 million (TOP 7 products: coffee, cocoa, bananas, sugar, flowers, tea, cotton). Figure 1 presents changes in the sales of Fair Trade products worldwide in the years 2004-2018.



**Figure 1. Sales of Fair Trade products worldwide, years 2004-2018, billions of EUR**

Source: own calculations based on Fairtrade International Annual Reports (Fairtrade,2020).

Trade in Fair Trade goods around the world from 2004 to the end of 2018 was more than eleven times higher. Currently, over 1.7 million families of small producers and farmers from 73 countries are members of 1,707 producer organizations. It is worth emphasizing that we have over 35,000 types of goods worldwide covered by Fair Trade rules.

### Fair Trade product trading in the V4 countries

In the V4 countries that have formed a political relationship since the political transformation in the early 1990s and based on cooperation (e.g. joint accession to the European structures in 2004), the phenomenon of Fair Trade develops unevenly. The Czech market is the most developed Fair Trade market in the Visegrad Group region. A rise in sales of Fairtrade products in these countries is driven by cafes, gas stations and supermarkets. However, the main factor is an increase in the product range in large retail chains.

Fairtrade Czech Republic and Slovakia is a non-governmental non-profit organization that brings together organizations and individuals. They have been operating in the Czech Republic since 2004, originally under the name Fair Trade Association, which was later renamed Fairtrade Czech Republic and Slovakia. They have been operating in Slovakia since 2014. They are part of Fairtrade International, a full member of the World Fair Trade Organization (WFTO) and since 2010 they have been a member of the Czech Forum for Development Cooperation (FoRS) in the Czech Republic (Fairtrade Cesko, 2020).

If we analyze the development of the Fair Trade phenomenon in Poland, it should be noted that the informal Fair Trade Coalition was founded on March 16, 2009 as an initiative of several small businesses and NGOs. On September 13, 2013, the Foundation was registered in Krakow and on January 15, 2016 the Foundation changed its name to the Fair Trade Coalition Foundation – Fairtrade Polska because they received the status of a public benefit organization. Since April 2015, the Foundation has represented Fairtrade International in Poland, the owner of the Fairtrade mark placed on certified Fair Trade products. Fairtrade Deutschland provides substantive support (Fairtrade Polska, 2020a).

*In Hungary, there is an organization called Tudatos Vásárlók Egyesülete (Association of Conscious Consumers).* The aim of the Association of Conscious Consumers is to support and strengthen sustainable consumption, ethical (environmentally and socially responsible) consumption and corporate operations, the sustainability of markets, and the knowledge about the rights and obligations of consumers in Hungary. This association has been promoting ethical, environmental and socially conscious consumption and lifestyle choices since 2001. The organization has been active (local foods fairs, marketing campaigns, lessons to public and professional audience, eco-map, research, books, magazines and other informational materials). The Conscious Consumers Association (2020) published its first report in 2017, which calculated the value of informed decisions of Hungarian consumers.

As it was mentioned earlier, in the Czech Republic the main factor is the increase in the product range in large retail chains, and sales grows in the case of coffee and cocoa. What is interesting, in a large part it is coffee at Benzina stations owned by the Polish state-owned company PKN Orlen. Also in Slovakia, the largest increases have been recorded as regards the sale of coffee and cocoa.

In Poland, the main factor is the dynamic increase in the number of Fairtrade certified products offered by large retail chains. This coincides with the development of the “Fair Trade Friendly Communities” campaign. There is a growing public awareness about the consequences of unfair international trade and the conditions prevailing in agriculture and processing in the countries of the global South, climate change or harmful plastic production. PKN Orlen is the largest seller of Fairtrade products in Poland, which in 2008 intro-

duced Fairtrade-certified coffee at all its gas stations. Retail chains come second. Important players are also online and stationary stores with organic products (both chains and independent sellers). Polish companies producing for domestic and foreign brands are expressing an increasing interest in Fairtrade certification, especially in the case of sweets.

In the case of Hungary, the rise in the value of the Hungarian market can also be observed. The reason for this was the introduction of Fairtrade coffee for sale at ÖMV gas stations in mid-2016. Another growth factor was an increase in Fairtrade's offer among large retailers.

The so-called initiative of the Fair Trade Towns campaign is worth a mention. Formal guidelines have been produced jointly by several Fairtrade labelling initiatives. To be awarded Fair Trade status, an area must meet five criteria: local council passes a resolution supporting Fair Trade, agrees to serve Fair Trade tea and coffee at its meetings and in its offices and canteens, a range of (at least two) Fair Trade products is readily available in the area's shops and local cafes/catering establishments, target for number of retail outlets, target for number of catering outlets and Fair Trade products are used by a number of local work places (estate agents, hairdressers, etc.) and community organizations (churches, schools, etc.). A local Fair Trade steering group is convened to ensure continued commitment to its Fair Trade Town status. It is worth comparing the number of such cities and areas in Western European countries and in the analysed V4 countries to realize at what stage of development the Fair Trade phenomenon is in our part of Europe. This comparison can be found in the table 2 below.

**Table 2. Fair Trade Towns in Europe (selected countries)**

Country	Initiative	Number of FT Towns
Germany	Kampagne Fairtrade Towns	648
UK	Fairtrade Towns	425
Austria	FAIRTRADE-Gemeinden	207
Belgium (Flanders)	Fair Trade Gemeenten	200
The Netherlands	Fairtrade Gemeente	87
Sweden	Fairtrade City	64
The Republic of Ireland	Fairtrade Towns	48
Belgium (Wallonia + Brussels)	Communes du commerce équitable	43
Norway	Fairtrade-Kommune	37
Luxembourg	Fairtrade Gemeng	32
France	Territoires de Commerce Equitable	28
Spain	Ciudad por el Comercio Justo	19
Finland	Reilunkaupankaupunki	16
Czech Republic	Fairtradováměsta	12
Poland	Spółeczności Przyjazne dla Sprawiedliwego Handlu	2

Source: (Fair Trade Towns International,2020).

As we can see, the numbers of cities or areas in the V4 countries differ significantly from those in Western Europe (Germany – 648, UK – 425, Austria – 207, Czech Republic – 12, Poland – 2), and in the case of Slovakia and Hungary there are no such cities at all.

In the latest report “Choosing a fairer future through trade 2018-2019” prepared by the Fairtrade International there is no data about retail sales of Fair Trade products broken down into individual countries of the world. The report was published in November 2019 whereas in the previous report “Working together for fair and sustainable trade 2017-2018” we can find this data for 2017. The report includes data for Poland, the Czech Republic and Slovakia together, but unfortunately, there is no data for Hungary. In order to obtain the latest available data the author of this article contacted (in March 2020) directly the entities which deal with the problems of Fair Trade in the analyzed Visegrad countries (V4) – Fairtrade Česko a Slovensko, Hungarian Tudatos Vásárlók Egyesülete and the foundation “Koalicja Sprawiedliwego Handlu” – Fairtrade Polska. Not all of these organizations have full data concerning the Fair Trade product trading since not all are at the same stage of the development of the activity conducted. Table 3 presents the sales of the Fair Trade products in the years 2013-2018 in the V4 countries.

**Table 3. The sales of Fair Trade products in the years 2013-2018 in Poland, the Czech Republic, Slovakia and Hungary, millions of EUR**

Country/Year	2013	2014	2015	2016	2017	2018	Total
Poland	4.8	6.4	6.5	8.3	14.4	21.7	62.1
Czech Rep.	6.6	7.7	7.4	no data	16.9	45.9	84.5
Slovakia	no data	1.1	1.3	no data	8.7	16.9	28.0
Hungary	no data	0.2	0.3	1.4	11	3.2*	16.1

\* calculated average value over four years: 2014-2017

Source: own study based on information (via e-mails) received in March 2020 from Fairtrade Česko a Slovensko, Hungarian Tudatos Vásárlók Egyesülete/Association of Conscious Consumers and Fairtrade Polska/Fundacja Koalicja Sprawiedliwego Handlu.

As can be seen in the above table, the leader in the analyzed period was the Czech Republic (EUR 84.5 millions), followed by Poland (EUR 62.1 millions). The sales of Fair Trade products in Slovakia and Hungary were lower in terms of value (EUR 28.0 and EUR 16.1 million, respectively), however, as it has been already mentioned, the data are incomplete. In order to conduct a deeper comparative analysis, the results of the sales of Fair Trade products in the Visegrad Group countries were compared with a few countries in Europe which were the EU members – data for 2017 (Table 4).

What can be seen from the data presented in the table above is that the sales volume of Fair Trade products in the four Visegrad Group countries considerably differ in the achieved value from the results in more economically developed countries such as the UK (2,013), Germany (1,329), France (561) or Sweden (394). To a lesser extent they differ from Spain and Portugal (Fair Trade International reports provide joint data from these two countries) – EUR 35 million. It seems that the reason for this is a shorter tradition of purchasing Fair Trade certified goods and having less household's available income, different purchasing power standard (PPS<sup>3</sup>) and lower average wages. Table 5 below presents a comparison of these countries in terms of PPS, for which sales of FT products in 2017 were previously presented.

<sup>3</sup> PPS represents a common currency that eliminates the differences in price levels between countries to allow meaningful volume comparisons of GDP.

**Table 4. The sales of Fair Trade products in the years 2017 in the V4 countries and selected EU countries, millions of EUR**

Country/Fair Trade sales	Sales of Fair Trade products
UK	2,013
Germany	1,329
France	561
Sweden	394
Ireland	342
Austria	304
Netherlands	290
Finland	233
Belgium	145
Denmark	134
Italy	130
Spain and Portugal	35
Czech Republic	16.9
Poland	14.4
Luxemburg	13
Hungary	11
Slovakia	8.7

Source: (Fairtrade International, 2020i).

In fact, as one can see, in the four Visegrad Group countries under analysis, the PPS ratio significantly differs from the value in more developed Western European countries, it is often even nearly twice as low.

## CONCLUSIONS

What can be seen from the data presented in the article the sales volume of Fair Trade products in the four Visegrad Group countries considerably differ in the achieved value from the results in more economically developed countries in Europe.

To increase the sales of Fair Trade products in the V4 countries, they may use best practice, for example from the UK – the European leader in this field. For instance, a very readable and useful Fair Trade guide could be developed: “National Fairtrade Purchasing Guide. Why And Where To Buy Fairtrade For Your Business” (Fairtrade UK, 2020). There we will find a list of wholesalers dealing with the sale of FT products, larger and smaller stores, cafes, sales outlets, the opportunity to take up work in structures supporting the development of the FT phenomenon, all possible contacts and necessary data.

In addition, more international programs should be created along the lines of the example “V4 Cooperation for moving forward fair trade as a socially innovative economic model” – the so called Visegrad Project. It started in 2018 as an international project. Apart from the Fair Trade Coalition Foundation – Fairtrade Polska, NGOs from the Czech Republic, Slovakia and Hungary participate in the project. The goal of the project financed from the International Visegrad Fund is to tighten cooperation for the development of Fairtrade markets in the countries of the Visegrad Group (Fairtrade Polska, 2020b). Four organizations: the Fair Trade Coalition Foundation – Fairtrade Polska, Fairtrade Česko a Slovensko,

the Slovak organization Nadácia Integra and the Hungarian Association of Conscious Consumers Tudatos Vásárlók Egyesülete joined forces to jointly promote the idea of Fair Trade and Fairtrade certification products and to support shop owners and cafes selling Fairtrade certified products as part of the project. Czech and Polish partners are specialized organizations working to promote the Fairtrade brand. The Association from Hungary represents consumers and the Slovak organization cooperates with Ten Senses Africa – a Kenyan nut processing plant whose mission is to support small farmers under Fair Trade. It would be good to know the effects of this program after two years of its duration.

As the authors of the theory write in the introduction to their study: “Globalization has accelerated the integration of markets, facilitated by improvements in technology, transport and communications. Small producers in developing countries have been largely marginalized from the benefits of international trade. Although they often account for a high proportion of production (depending on the sector and country), they typically lack the necessary skills, resources, information, institutions, access to markets and bargaining power to secure a decent return for their labour. Although there has been renewed interest among national governments and bilateral and multilateral agencies in supporting small-scale production in recent years, this is largely within a political framework which focuses on increasing productivity and does little to address other structural issues outlined above” (Francesconi & Ruben, 2014).

Having studied the trade of Fair Trade products in the Visegrad countries in this article, in spite of relatively medium Purchasing Power Standard (PPS) positions of the V4 countries the results were obtained which indicate that the value of those indices had no significant influence on the sales of Fair Trade products, and the sales level in the analysed countries considerably differs from other developed EU countries.

It is to be hoped that the proposed recommendations and actions taken in the described countries will bring greater results in the development of the Fair Trade phenomenon in the coming years.

It should be noted that research on the Fair Trade phenomenon in the Visegrad Group countries has some limitations. They are related to the lack of certain statistical data, which the author mentions in the article. There is no uniform methodology for collecting, processing and sharing data in these countries. In the reports of organizations and associations dealing with Fair Trade in the world, these countries very often do not appear at all, which makes it very difficult to conduct research.

My planned future research will be a continuation of my previous interests. In particular, I would like to focus on exploring the practical use of "power of big cities" in the development of direct commercial cooperation with agricultural producers in the countries of the global South, constructing a price model for direct import of Fair Trade products (assuming the elimination of unnecessary intermediaries and shortening the supply chain) and taking attempts to apply my theory of Fair Trade 3.0 on the markets of the V4 countries of the Visegrad Group (study of major cities of the region).

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