

## Assessing the Impacts of Fairtrade on Worker-Defined Forms of Empowerment on Ecuadorian Flower Plantations

Final Report

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*Angus Lyall, Quito, January 2014*

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## **Disclaimer**

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### **List of abbreviations**

ATPDEA	Andean Trade Promotion and Drug Eradication Act
ASC	Business Alliance for Secure Commerce
CONAIE	Confederation of Indigenous Nationalities of Ecuador
ECLAC	Economic Commission for Latin American and the Caribbean
FENACLE	National Federation of Free Agroindustrial, Peasant, and Indigenous Workers of Ecuador
FENOCIN	National Confederation of Peasant, Indigenous, and Black Organizations
FI	Fairtrade International
FLP	Flower Labeling Programme
HL	Hired Labour Organization
ILO	International Labour Organization
MSP	Environmental certification program for U.S. and Canadian markets
PO	Producer organization
SPO	Small Producer Organization
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

## EXECUTIVE SUMMARY

This study was commissioned by Fairtrade International and the Max Havelaar-Foundation (Switzerland) to investigate the ways in which workers on three Fairtrade-certified flower plantations in Ecuador understand and define 'empowerment' for themselves, their families, and their co-workers. The study attempts to understand workers' own perspectives on how and to what extent Fairtrade standards, producer support, and certification have promoted these worker-defined notions of empowerment. It considers how the Fairtrade standards and producer support might promote such processes in the future.

Much of the population in flower-growing regions in Ecuador shares a common history of social and economic exclusion. It has been subjected to ethnically-based social hierarchies and economic exclusion in terms of access to land, other productive resources and markets; state resources; and education since Spanish colonial times. Thus, it is not surprising that many of the workers who participated in this study shared common views on power relations and empowerment. They observed that empowerment would require a variety of **conditions**, each of which was understood as necessary, but not sufficient for attaining an ideal, complete, or full empowerment. These conditions included job stability; skills development; stronger and better-funded Joint Bodies; stronger Workers' Committees that enjoyed the support of other Workers' Committees through horizontal organizing between plantations; and higher salaries, among others.<sup>1</sup> These were considered to be enabling conditions for changing power relations, but 'full empowerment' was conceived of as economic autonomy (through independent, smallholder farming or their own small businesses). In other words, workers identified independence from the flower sector as a central objective. Yet, historically workers have dedicated a relatively small percentage of Fairtrade Premium funds to initiatives intended to increase their economic independence. This is in part a reflection of the wider challenges for smallholder farmers and small businesses in this context.

Fairtrade Premium funds have been spent primarily on meeting the immediate needs of workers and their families: particularly housing, followed by scholarships and healthcare. In a context of extreme structural inequalities,<sup>2</sup> in which worker options are very limited, worker empowerment is a difficult proposition and a multi-faceted process. Although workers maintain the objective to become independent from the flower sector and withdraw from the labour market, they have discovered **meaningful forms of empowerment** within Fairtrade-certified plantations and through Fairtrade Premium funds, standards, and producer support. This may be reflected in the fact that many of the study participants had been in long-term employment on their respective plantations. The 91 worker participants in the study averaged 10 years on their respective plantations, in an industry in which workers tend to change plantations every 1-3 years.

Workers participated in 18 focus groups on three Fairtrade flower plantations. They identified empowerment processes and challenges that had been relevant to them over the past ten years, and explored the role that Fairtrade certification had been able to play in these processes.

Workers described empowerment in terms of increasing levels **control** or power of decision in hierarchical relationships **on the plantations** and increasing control **over their family economies**. Workers observed that these results had been the consequence of three basic, parallel processes:

- 1) The development of confidence to express ideas and concerns in the workplace (during training sessions and through experiences in workers' organizations);

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<sup>1</sup> The Fairtrade Standards for Hired Labour Organizations require that workers form an organization called a '**Joint Body**' which has responsibility for the management of the Fairtrade Premium. There must also be a separate workers' organization on site which tackles workers' rights issues. Where no Trade Union is present workers may choose to form a **Workers' Committee** for this purpose.

<sup>2</sup> Ecuador is the fifth most economically unequal country in Latin America, which is the most unequal region in the world. For more information, see *Annex 1: Analysis of the economic conditions in flower-growing territories*.

- 2) The development of collective capacities to generate dialogue among workers, develop proposals, and negotiate proposals with management through Workers' Committees;
- 3) The development of Joint Bodies' capacities to lead discussions on, develop, and execute Fairtrade Premium projects (through the accumulation of training and experience).

The study participants stressed that these processes interact and complement each other. However, for the purposes of analysis they are considered here under the following headings: 1) strengthening **individual voice** and developing horizontal relationships through skills development and rights awareness; 2) increasing workers' **collective influence** in decision-making and policy formation both on and off of the plantation; and 3) expanding individual **choice** through direct access to resources via the Fairtrade Premium.

### **Strengthening individual voice and developing horizontal relationships through skills development and rights awareness.**

Nearly all of the participating workers identified 'developing their voice' as a necessary aspect of empowerment supporting increased control or decision-making power in hierarchical relationships on the plantations. Specifically, they described developing the self-confidence or willingness to express their **ideas** and **concerns** in worker assemblies and directly to supervisors and members of management. They noted that this growing willingness to express ideas and concerns gave them much greater *opportunity* to exercise control over their conditions and to influence decision-making. In many cases, they also reported that increasing confidence was facilitating greater control and influence over decisions in their households and communities.

Participants identified two main sources of strengthening *individual voice*:

- ❖ **Experience in the Joint Body and/or Workers' Committee:** The practice of managing meetings, projects, and assemblies was highly-valued for developing the skills and self-confidence necessary for expressing ideas and concerns in the workplace.
- ❖ **Training sessions** for Joint Body members, Workers' Committee members, and workers in general. Participants reported that Liaison Officers from the Fairtrade system had facilitated training sessions to support workers to develop 1) technical skills (e.g. accounting, project management, and computer literacy, among others) and 2) awareness about social and health issues and workers' rights. Both types of training have helped workers to generate greater levels of worker integration and to gain useful knowledge.

### **Increasing workers' collective influence in decision-making and policy formation both on and off of the plantation**

Most participants observed a process in which the Workers' Committees and the workers' assemblies had matured together and developed capacities to **articulate collective proposals and voice collective concerns** as complementary organizations under the leadership of Workers' Committees' presidents. The result of this had been to increase workers' **control** or **power of decision in hierarchical relationships** within the plantations *and potentially outside of the plantations as well*.

Workers' Committee members identified the **potential** of the Committees to develop further in the area of worker representation through a greater promotion of exchanges and collaboration with Workers' Committees from other flower plantations and plantations in other industries, such as the banana industry.

Workers also identified some cases in which Fairtrade had **indirectly promoted worker integration and representation within local organizations**, such as farmer or community-based organizations, for example:

- ❖ Fairtrade standards require certified plantations to **fulfil legal requirements** in terms of hours and overtime worked. Better regulation of working time enables workers to dedicate **more time and energy to their families and communities**.
- ❖ Fairtrade has supported **initiatives aimed at easing domestic workloads**. These have included the provision of food baskets; provision of medical attention for workers and their families; and a plantation laundromat. These kinds of initiatives enable workers to dedicate **more time and energy to their families and communities**.
- ❖ **Access to productive and housing loans** via the Fairtrade Premium, has enabled many workers to **invest in their communities**, preventing out-migration towards the cities.
- ❖ Fairtrade has supported the development of **technical skills and capacities for self-expression and leadership**, particularly among Joint Body and Workers' Committee members. This has promoted worker participation and leadership within **community organizations**.

### Expanding individual choice through direct access to resources

Workers identified increased **control over their families and household economies** as a key aspect of empowerment. Participants accordingly felt that the **Fairtrade Premium** had contributed to their empowerment through giving them access to the following resources:

- ❖ **Housing credits** as pathways to economic independence, allowing workers to gain independence from landlords and family members for housing;
- ❖ **Scholarships** for workers and their children, expanding capacities for workers to earn complementary incomes outside of the flower sector and - in some cases - enabling them to leave the sector for other types of employment;
- ❖ **Productive credits** (e.g. for investments in agriculture or small businesses), expanding worker capacities to earn complementary incomes outside of the flower sector and - in some cases - enabling them to leave the sector to engage fully in their own productive enterprises.

### Re-defining empowerment on Ecuadorian Fairtrade plantations

Fairtrade currently recognizes the following definition of empowerment: 'Empowerment is the expansion of assets and capabilities of people to participate in, negotiate with, influence, control and hold accountable the institutions that affect their lives' (World Bank 2001). The notions of empowerment that the participants provided refine and contextualize this definition, identifying **choice** as being central to their empowerment (for example, the power to choose *which* institutions affect their lives).<sup>3</sup> Workers considered that 'full empowerment' would reflect worker capacity to **choose** their economic strategies, including the ability to dedicate themselves to their own initiatives and spend more of their time and energies on their families and communities. Taking into account the empowerment processes that the workers identified as important, and incorporating the concept of choice, a revised definition of empowerment for Fairtrade flower workers in Ecuador might be the following:

<sup>3</sup> Broader definitions of empowerment provided by the World Bank have similarly described empowerment as 'the expansion of freedom of choice and action' (Narayan, 2002; 11).

'Empowerment for Fairtrade flower workers in Ecuador means increased access to assets, conditions, and individual and collective capabilities for people to choose, participate in, negotiate with, control, and hold accountable the institutions that affect their lives.'

### Principal challenges for Fairtrade standards and producer support

During the workshops, the participating workers identified a number of challenges that should be addressed by Fairtrade either through its standards or producer support services. These challenges are mainly related to the following:

- ❖ **Resistance from administrators and supervisors:** It was reported that some administrators and supervisors did not treat workers respectfully and were resistant to listening to workers' ideas and concerns, especially when administrators and supervisors were new to Fairtrade.
- ❖ **Increasing workloads:** In recent years, accelerated increases in government-set minimum wages have put pressure on overall productivity which has resulted in higher performance targets and increased workloads.
- ❖ **Quantity and quality of trainings:** Workers reported that training sessions have become less frequent and less participatory in nature in recent years, both of which make the trainings less effective.
- ❖ **Sustainability of the Fairtrade Premium :** The US ATDPEA trade preferences came to an end in 2013. There have been changes within the Fairtrade system, with Transfair USA separating from Fairtrade International in 2012. At the time of the research it was unclear how the US market would develop for Ecuadorian Fairtrade flowers, and workers expressed concerns about the sustainability of Fairtrade Premium flows in the future.
- ❖ **Confidentiality in Workers' Assembly meetings:** Workers reported that often the principle of confidentiality was not respected in workers' assembly meetings and that workers who complained in such meetings were later confronted by HR representatives.
- ❖ **Communication with Fairtrade representatives:** Workers requested more direct and anonymous communication lines with staff and representatives of Fairtrade.
- ❖ **Horizontal organization:** Workers reported that there was not enough time and resources for workers to promote horizontal organizing between workers' organizations from different farms.
- ❖ **Monitoring and evaluation:** The researcher observed that Fairtrade lacked an adequate monitoring and evaluation system to track impacts, especially from Fairtrade Premium projects.

### Principal context-related challenges

Two factors in the wider context of flower plantations in Ecuador have important implications for possible responses to the challenges outlined above. These wider contextual issues are beyond Fairtrade's capacities to address.

Historically, flower producing regions in Ecuador have experienced uneven territorial development, with land and other productive resources being distributed very unevenly. Whilst the majority of participants in

the study envisioned attaining ‘full empowerment’ through the development of independent economic activities, most workers also observed serious obstacles to advancing these initiatives. With respect to smallholder agriculture, they reported contending with very limited access to land, irrigation systems, and markets; erosion and diminishing fertility on steep hillside plots; and increasing costs of inputs. These problems have become more difficult to manage over the last decade due to increasing climate variability (e.g. harsh frosts and unpredictable rainy seasons). In terms of small and medium-sized enterprises (SMEs), workers reported prohibitively high start-up costs; high interest rates from external credit sources; and consolidated market competition.<sup>4</sup> In light of these obstacles, **workers have chosen to risk only relatively small amounts of Fairtrade Premium funds for developing independent economic activities**, despite the importance these are given in worker discourses on ‘full empowerment’ (for more information on these obstacles, see Annex 1: Analysis of the economic conditions in flower-growing territories).<sup>5</sup>

The second main context-related challenge relates to the role of trade unions within flower plantations in Ecuador. Despite Fairtrade’s commitment to partner with unions, as outlined in its 2007/2008 Strategic Review, under current conditions Workers’ Committees are the most practical vehicles for Fairtrade to promote worker representation on and off Fairtrade plantations, as individual committees, as a single platform, and/or in alliance with other organizations (such as the newly-formed flower workers’ association, ASOTFLORPI). The main rural union in Ecuador, FENACLE,<sup>6</sup> has not been able to expand in the flower sector due to the repeated repression of organizing attempts. Workers involved in the research were generally aware of black-listing tactics, could often cite examples of repressed organizing attempts, and usually reported that they were hesitant or fearful to address the topic of unions in the workplace. Workers on Fairtrade plantations specifically expressed both a lack of knowledge about unions and a hesitance to pursue the issue in the interest of not placing at risk the working conditions and benefits they perceived under Fairtrade certification (thus, they did not cite unions as possible empowerment mechanisms). In interviews with representatives of the Ministry of Labour Relations, with managers of non-certified and Fairtrade plantations, and with other industry representatives, the researcher was told repeatedly that it was unlikely any management would accept workers associated with existing unions, citing the highly-competitive and time-sensitive conditions of flower production and/or the perceived inefficiencies or corruption of existing unions (for more information about freedom of association in the sector and recommendations for Fairtrade strategies see Annex 2). This adverse context for pursuing partnerships with existing unions has long been recognized by Fairtrade representatives in Ecuador, who have favoured focusing their efforts on strengthening Workers’ Committees over developing relationships with unions.

## Recommendations

Despite difficulties and challenges, workers, supervisors, and management on the Fairtrade-certified plantations involved in this study acknowledged that Fairtrade has provided clear and coherent strategies and requirements for reforming plantation policies and practices and generating substantially better social and environmental conditions for workers. They acknowledged that Fairtrade had installed mechanisms that

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<sup>4</sup> No participants proposed developing alliances to leverage resources, but there exist opportunities for Fairtrade and Joint Bodies to associate with national and/or local governments. The Constitution of 2008 mandates state support for fair trade, economic policies that favor poor and small-scale producers, and the de-centralization of resources. Also, despite reductions in funding for NGOs in Ecuador in recent years, Fairtrade could associate with NGOs to leverage funds and/or human resources.

<sup>5</sup> A few cases were reported of workers who had invested Fairtrade Premium funds in agricultural production, small businesses, and/or education and had left the plantations, but in the absence of any reliable dataset on this category of workers, conclusions cannot be made about Fairtrade Premium impact on them.

<sup>6</sup> The National Federation of Free Agroindustrial, Peasant, and Indigenous Workers of Ecuador (FENACLE) is present in the banana, sugar, rice, corn, and soy industries, with 65,000 affiliates. Since the 1980s, FENACLE has represented workers on the only two flower plantations with unionized workers in the country (*Florequisa* and *Jardines de Cayambe*). It provides representation and training, is active in negotiations over the new labour code (facilitated by the president of FENACLE, a national congressman in the majority party), and represents smallholder farmers, lobbying for equitable access to land and irrigation water through legislative reform.

have helped workers to increase their control over their working and living conditions by building individual and collective capacities and by expanding access to resources. Fairtrade is well-positioned to build on its successes and channel **worker-identified recommendations** through the Joint Bodies and Workers' Committees in the form of revisions to the Fairtrade standards, modified producer support, and targeted investments using the Fairtrade Premium.

For the report, workers made recommendations on strengthening support services for workers (especially through more frequent and participatory trainings) to further develop their abilities to respond to challenges in the workplace, particularly increases in workload demands; to further develop strategies to advance workers' independent economic activities; and to replicate and develop initiatives that ease their domestic workloads. Workers emphasized the need to better guarantee confidentiality in assembly meetings, to open up direct and confidential communication channels with Fairtrade, and to ensure the sustainability of Fairtrade Premium funding by securing markets, particularly in the US. Other recommendations included financial transparency on plantations to help workers to understand and negotiate increasing workload demands that are often made by supervisors with the explanation that sales have diminished; improving transition strategies for Joint Bodies and Workers' Committees to allow as many workers as possible to participate without sacrificing important degrees of continuity; and for Fairtrade standards to ensure time and funding for horizontal exchanges between Joint Bodies and Workers Committees on different plantations. Finally, the researcher recommends that Fairtrade invest in a monitoring and evaluation system that includes worker participation in its management to be able to measure impacts more precisely and more frequently within plantations and to compare and aggregate data across Fairtrade-certified plantations.

## 1. INTRODUCTION

This study was commissioned by Fairtrade International and the Max Havelaar-Foundation (Switzerland) to investigate the ways in which workers on three Fairtrade-certified flower plantations in Ecuador understand and define 'empowerment' for themselves, their families, and their co-workers. The study attempts to understand workers' own perspectives on how and to what extent Fairtrade standards, producer support, and certification have promoted these worker-defined notions of empowerment. It considers how the Fairtrade standards and producer support might promote such processes in the future and generates recommendations to support Fairtrade to affirm, revise, and develop its standards and strategies in relation to worker empowerment.

The introductory section of the report provides an overview of Fairtrade actions and objectives in hired labour contexts, explains the importance of studying changing power relations in these contexts, and summarizes the methodological approach and challenges. Section two describes the study's context in terms of Fairtrade's institutional development and the historical development of the flower industry in Ecuador. Section three sets out the research methodology in more detail. Section four presents the results of the study, and includes a proposal for possible empowerment indicators for Ecuador's flower industry. Section five is an analysis of data provided by the plantations relating to signed agreements between the plantation management and Fairtrade Premium investments between 2007 and 2011. Section 6 sets out conclusions and recommendations.

### 1.1.1 What is a Fairtrade plantation?

The fair trade labeling movement was initiated in the 1980s by European non-profit organizations that aimed to promote more favorable international trading conditions for cooperatives of smallholder farmers in the Global South. These NGOs worked with buyers to agree to stable, long-term trading contracts, minimum prices, advance payments, and an additional payment ('premium') to be paid on top of the product cost to be used by cooperatives for social and economic development projects. In 1997, a network of such NGOs united to form the Fairtrade Labelling Organization (FLO), which is now Fairtrade International. Over the last 15 years, Fairtrade has expanded rapidly to certify over 300 products, from rice to juices to soccer balls, in 66 producer countries and 120 consumer countries. It is currently the largest and most widely-recognized fair trade labeling initiative in the world (Fairtrade International Annual Report, 2011-2012).

For the majority of Fairtrade products, such as coffee and cocoa, Fairtrade certifies exclusively smallholder farmer cooperatives. However, some of Fairtrade's recent expansion has resulted from the inclusion of plantation-style, hired labour agriculture, through the development of Fairtrade standards for plantations, termed 'Hired Labour Organizations' within Fairtrade. Fairtrade member organizations began to certify tea plantations in 1994. Banana plantations were approved for certification in the late 1990s. In 2001 flowers from Eastern Africa, became the first Fairtrade product sourced *exclusively* from medium- or large-scale plantations. Ecuadorian flower producers gained Fairtrade certification in 2002.

In hired labour contexts, Fairtrade aims to improve labour and environmental conditions for workers and their communities through social and environmental requirements or 'standards' that plantations must comply with to attain and maintain certification. 170,000 people currently work in Fairtrade-certified hired labour contexts (Fairtrade International Annual Report, 2011-2012).

Fairtrade has distinct generic standards for small farmers' organizations and for hired labour situations (i.e. plantations/commercial farms). In hired labour situations, generic standards indicate that *workers* (excluding middle and senior management) can participate in Fairtrade if they are organized. According to the standards, it is preferable for workers to be organized into trade unions, but worker representation may also

be provided by elected workers' committees. Companies seeking certification must be willing to comply with Fairtrade's generic hired labour, trade, and product-specific standards, including standards 'to pay decent wages, guarantee the right to join a trade union, ensure health and safety standards, and provide adequate housing and other social provision where relevant'. Fairtrade categorizes its production standards according to social, economic, and environmental criteria.

Social development standards are designed to increase worker 'empowerment and well-being' by protecting workers' rights in relation to the following principles:

- freedom from discrimination
- freedom of association and collective bargaining
- fair conditions of employment (e.g. wages, hours, and overtime)
- no forced or child labour (minimum age of 15 years)
- occupational health and safety.

Fairtrade products from cooperatives and hired labour settings are generally sold at higher prices than non-certified products in consumer countries and in both cases a portion of this additional revenue is returned to the cooperatives and the workers in the form of higher prices and/or the 'Fairtrade Premium' which is an additional payment made to co-operatives or to workers, who then decide how to use it. For workers in Fairtrade-certified Hired Labour Organizations, Fairtrade economic development standards are designed to channel Fairtrade Premium funds. These are often invested through small loans for workers (most often housing loans for building and renovations), scholarships for workers and their children, additional medical or dental services, and in some cases small infrastructure projects in local communities and schools. All investments are developed, proposed, and managed by an elected committee called the Joint Body, comprised of elected workers and delegated management representatives.<sup>7</sup> Every investment is made with the approval of the workers' general assembly. Fairtrade stipulates that the investments must benefit workers, their families, and/or their communities. Towards that end, every plantation must ensure that Joint Body members receive training in finance and project management to develop and execute their projects. The 'Liaison Officer,'<sup>8</sup> a local Fairtrade representative, provides support for this training process.

Finally, Fairtrade environmental standards are intended to ensure that companies protect natural resources and for plantations these standards are particularly detailed. They provide regulations, for example, in terms of the use, storage, and disposal of agrochemicals on plantations. In the cases of flowers and bananas, environmental standards are product-specific.

Generic and product-specific trade standards also deal with terms of trade that traders must respect, such as terms of price and Fairtrade Premium payment, and payment timelines. Traders generally must develop long-term trading relations with Fairtrade producers, and put traceability systems in place for Fairtrade products.<sup>9</sup>

### **1.1.2 Why study 'empowerment' on Fairtrade plantations?**

Both traders and producers are audited annually for their compliance with standards by the independent, for-profit certifier FLO-Cert, which became a separate entity from the Fairtrade Labelling Organization in 2004. Fairtrade's monitoring and evaluation (M&E) system is a complementary source for data collection

<sup>7</sup> Representatives from the management constitute a minority and, according to the standards, play an advisory role (e.g. in accounting and project management).

<sup>8</sup> Liaison Officers provide direct in-country support to help cooperatives and companies understand and comply with Fairtrade standards, certification processes, and other requirements. Liaison Officers provide workers with training and information 'to deepen Fairtrade impact' ([www.fairtrade.net](http://www.fairtrade.net)). They also broadly represent Fairtrade locally and promote Fairtrade to new producers. Liaison Officers operate in every country where there are Fairtrade-certified producers, although in most cases individual officers cover more than one country each.

<sup>9</sup> For cooperatives there is an advanced payment requirement.

and is led by Fairtrade International. Monitoring data on a range of mainly quantitative indicators are collected through the audit process and then analyzed on an annual basis. However, these indicators are limited to output-level information such as number of producers, premium investment amounts, sales, etc. Little can be inferred from these indicators about the socio-economic impacts of Fairtrade for workers, their families, and their communities. Recognising this, Fairtrade complements monitoring data with independent studies on impact. Two or three of these investigations are commissioned yearly and often have a thematic, industry, and geographic focus, although many studies have also been comparative between national contexts.<sup>10</sup>

Hundreds of internal and external evaluations and academic investigations on Fairtrade's impacts have been carried out among smallholder farmers over the last 15 years, but relatively little research has been done in hired labour settings. In a 2009 study entitled *The Last Ten Years: A Comprehensive Review of the Literature on the Impact of Fairtrade* (Nelson and Pound) researchers reviewed over 80 studies and reports about Fairtrade, from which they documented evidence of impact in 23 reports (containing 33 case studies). Yet, among their conclusions, they stated that impacts of Fairtrade in hired labour settings constituted a 'gap in the evidence'.

In the relative **absence of impact studies of Fairtrade in hired labour settings**, it becomes urgent to study worker *empowerment*, given the central importance of this concept in Fairtrade strategy and standards development. In 2010 Fairtrade International began an internal review of its approach to hired labour, recognizing that workers with little or no land and few other options are among the most vulnerable in the Fairtrade system. The question that Fairtrade representatives posed was '*how can Fairtrade best deliver on its mission to empower workers to combat poverty, strengthen their position and take more control over their lives?*' (Fairtrade International, 2012).

Upon completing the review, Fairtrade announced in April of 2012 that it would adopt a new workers' rights strategy, including recommendations for promoting management-worker cooperation, ensuring freedom of association, working towards living wages, and re-defining certain aspects of Fairtrade Premium decision-making and use. Producer networks in Africa, Asia, and Latin America have begun the process of developing adapted regional strategies in accordance with the global strategy and, in turn, Fairtrade International has revised the Fairtrade Standard on Hired Labour.

Throughout this process worker *empowerment* has been a guiding concept. Yet, empowerment ought to be considered an *essentially contested concept* because it maintains a variety of meanings and has been theorized in myriad ways, and is often employed in debates without a clear definition. If modes of power-sharing are being defined in global standards and regional strategies, but are then interpreted and negotiated locally among growers, workers, and local Fairtrade representatives in pre-existing, changing, and complex power relations, it becomes imperative to address **two key questions in all hired labour settings**:

- ❖ How do workers conceive of empowerment in their own particular contexts?
- ❖ What roles do Fairtrade standards, support, and certification play towards achieving worker empowerment?

Addressing these two questions through empirical studies will help to inform strategies and possibly resolve tensions or even conflicts over the interpretation and implementation of standards and strategies by workers, administrators, and Fairtrade representatives. For example, Fairtrade's new strategy to promote empowerment dictates support for what are commonly characterized as 'post-Fordist' management techniques (in which cooperation is promoted between administrators and workers), but also promotes supporting workers to address such traditionally conflict-prone issues as freedom of association, collective

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<sup>10</sup> Fairtrade's M&E system also compiles data from its producer support team and other representatives.

bargaining, and wages more effectively.<sup>11</sup> This strategy has the potential to lead to confusion or conflicts in its interpretation and implementation, particularly whenever management-worker cooperation becomes difficult. Asking workers directly how standards, management practices, and external support affect empowerment ought to help guide the interpretation of strategies and standards.

### 1.2.1 Methodological challenges to studying empowerment.

In a recent impact study on Fairtrade by the German-based Centre for Evaluation (CEval), Fairtrade-sponsored training and development projects were characterized as potentially leading to empowerment; fair working contracts as ‘strengthening’ empowerment; and increasing opportunities for farmers to participate in local organizations as an important step to ‘more empowerment’ (Klier, 2012; 60), but the study’s authors note that due to time constraints ‘it was not possible to investigate in depth the important concept of empowerment through Fairtrade’ (ibid.; 52).

The study of power relations is *complex* insofar as power relations are situated not only within changing international and national economic and political contexts, but also within local historical, economic, political, social, and even environmental processes that can be difficult to perceive, let alone measure systematically. Given the pervasive nature of power in everyday discourse and interactions, power relations do not lend themselves to traditional forms of M&E and impact analysis. Studying power relations exposes the particular limits of such methods as annual visits, interviews, focus groups, and surveys and requires both of the following elements:

- ❖ *Active participation* among research participants in order to build a collective awareness of power relations and shared notions of empowerment;
- ❖ *Trust* between research participants and researchers in order to permit a candid analysis of how workers, supervisors, management, and other key actors in the Fairtrade system interact on professional and personal levels.

One clear challenge in this study was the workers’ perception of the researchers as Fairtrade representatives. Some workers reported that they were hesitant to criticize Fairtrade and plantation administrators during the study. Two women in particular strongly expressed worries that by criticizing either Fairtrade or plantation administrators to the researchers, they might put at risk their Fairtrade-endorsed benefits. In addition, they observed that they were also hesitant to criticize Fairtrade during audits for the same reason. This challenge deserves further analysis to discover how widespread it may be and, if necessary, to seek solutions through M&E design and worker feedback channels that might be more **accessible, direct** and **anonymous** than those currently available. The potential danger of self-censorship should be taken seriously given 1) Fairtrade’s limited M&E mechanisms; 2) Fairtrade’s limited capacity to continuously accompany workers and develop and maintain trust; and 3) the insecurity that workers express with respect to their benefits.<sup>12</sup>

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<sup>11</sup> In terms of production, ‘post-Fordism’ is associated with a transition from ‘Fordist’ forms of mass production, based on unskilled, repetitive labour tasks within a vertical managerial framework, towards a lean or *just in time* model of production (with little to no inventory) for niche markets and based on skilled or semi-skilled labour within a worker-friendly managerial framework. Post-Fordism is often related to so-called ‘Japanese managerial techniques’ that promote decentralized decision-making, quality-control methods and standards, labour stability, seniority-based compensation, and harmonious relations between workers and management. Some researchers have praised post-Fordism as the emergence of cooperation between business and higher skilled, more fulfilled labour and others have criticized such changes as rhetorical or, alternatively, as potential threats to worker autonomy and the generation of worker interests (Barker, 1999; Sennett 1998; Vallas, 2006).

<sup>12</sup> It should be noted that in a recent study on the impacts of the flower sector in the province of Cotopaxi, researchers from the Latin American Faculty of Social Sciences (FLACSO) in Quito, Ecuador, documented a general resistance among workers to talk about labour conditions, although interviews and focus groups were conducted in communities and not on the plantations. Workers from several plantations asked repeatedly whether or not researchers had the permission of plantation administrators

Other challenges included time constraints and location. The time allotted for the researchers to engage in discussions with the workers was limited implicitly or explicitly by daily production goals. Scheduling the research on each plantation took several months given production demands, in addition to the underlying fact that the three participating plantations had no obligation to participate. Most of the research on each of the plantations took place in June 2012, a month in which production demands are generally somewhat less throughout the industry (three prior focus groups took place for research design purposes in December 2011). Another potential limitation of conducting research exclusively on plantation grounds was, again, that workers might not feel entirely comfortable to express their opinions about the workplace while physically in the plantation.<sup>13</sup>

In order to distinguish between women's and men's potentially distinct experiences of Fairtrade and of power relations, we held separate focus groups with women and men. Throughout the study, there was a high rate of consensus between the women's and men's groups in terms of their input. There was only a clear distinction with respect to one subject -- more men's groups than women's groups reported that their salaries covered their basic needs. One explanation for this result is that a notable number of single mothers participated in the study (although there was no effort to record exactly how many participated). Nonetheless, despite these attempts to differentiate between women's and men's experiences, it is important to point out that power relations between genders can be quite difficult to document and results can fail to reveal the nature of gender relations when research is conducted in a limited timeframe and without developing considerable trust between researchers and research subjects, especially when it comes to analyzing everyday forms of violence or discrimination that can become internalized by the subjects. Forms of gender violence and discrimination constitute issues that have been decried in the context of the Ecuadorian flower industry; however, they constitute very much hidden issues in Ecuador in general, as a recent Ecuadorian national census on gender violence indicates (INEC, 2012). A study of gender power relations would require working with women in a more intimate context and likely with experienced all-female researchers and/or with the assistance of local women's leaders, who might understand how best to address gender relations in this context.

### **1.2.2 Summary of the methodology.**

There are currently nine Fairtrade-certified flower plantations in Ecuador. Workers from three of these plantations participated in the study: 'Farm A' and 'Farm B' in the northern Andean province of Pichincha and 'Farm C' in the central Andean province of Cotopaxi. These three plantations were asked to participate given that each had completed ten years or more within the Fairtrade system.

On each plantation, a workshop was held with past and current members of the Workers' Committee, the worker organization responsible for representing workers and negotiating terms and conditions with plantation administrators. A second workshop was held on each plantation with past and current members of Joint Body, the organization responsible for managing and investing Fairtrade Premium funds on behalf of workers. A third workshop was held on each plantation with workers who had not participated in either of these organizations during their careers. On Farm A, an additional workshop was held with each of these groups six months prior to the research for research design purposes.

Emphasis was placed on recruiting workers for all of these workshops who had accrued a certain degree of longevity in their workplaces and who would be best able to recall and judge changes in worker empowerment over the last decade. Some newer workers were also included. Overall, 91 workers (54% women) participated in nine workshops in June, 2012. These workers had between 9 months and 20 years of experience in their respective workplaces, with an average of 10 years of experience.

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to conduct their study, reflecting hesitance to voice their opinions to outsiders, at least to those who are not recognized by management (Ibrahim, Martínez, and Yumbala, 2012).

<sup>13</sup> The coordination of focus groups outside of the workplace would present distinct logistical issues, but would be worthwhile attempting in future studies for the reasons stated.

Each workshop lasted between three and four hours and included between nine and thirteen workers, averaging 10 workers per workshop. Participants were roughly half female and half male; precisely equal gender representation was not possible in most cases due to a lack of available workers. The workshop facilitator began each session by providing a broad theoretical framework for the workers to reflect on 'empowerment' in terms of expanding or diminishing 'control' over one's circumstances in the workplace, in the household, or in the community. Workers were also asked to reflect upon the root of the word *empowerment* in terms of changing gender relations during the history of the Republic of Ecuador and during the last two to three generations in particular, highlighting specific examples of women gaining greater control. Again, the purpose of this introduction was to construct a broad framework for workers to begin to discuss, debate, and generate their own reflections on empowerment.

The worker participants were then divided into focus groups by gender to discuss and develop consensuses about changing levels of empowerment over the last ten years, and key empowerment factors and challenges. A total of eighteen separate focus groups – nine groups of male workers and nine groups of female workers – were carried out on the three farms. Each of these groups was asked to draw and illustrate an empowerment path in order to facilitate discussion and consensus-building. The male and female focus groups then came together and presented their results, including their drawings, to the entire group and described the various consensuses they had reached or debated.

The information that each of these focus groups produced was collectively analyzed during the joint workshops. Later, this information was analyzed by the researcher quantitatively, categorizing group consensuses to compare their frequencies among the groups; to rank empowerment factors and challenges based on frequency; and to construct a hypothesis on possible empowerment objectives and indicators for planning, monitoring, and evaluation moving forward.

**Table 1:** Analysis of participating workers by gender and length of employment on the plantations

		Number of participants	Female	Male	Average length of employment (years)	Range of years in workplace
<b>Farm A</b>	Joint Body	10	4	6	11.5	2-18
	Workers' Committee	10	4	6	8.9	4-18
	Third group	10	5	5	10.6	0.75-18
<b>Farm B</b>	Joint Body	10	6	4	6.2	3-10
	Workers' Committee	9	4	5	5.3	3-8
	Third group	9	5	4	9.1	5-16
<b>Farm C</b>	Joint Body	10	5	5	10	3-20
	Workers' Committee	13	10	3	10.5	2-20
	Third group	10	6	4	10.3	2-18
<b>Averages</b>		<b>10.11</b>	<b>5.43</b>	<b>4.67</b>	<b>10</b>	<b>2.75-16.22</b>
<b>Totals</b>		<b>91</b>	<b>49</b>	<b>42</b>		

**Table 2:** Analysis of participating workers according to their role within the plantation

Participant positions	Farm A	Farm B	Farm C	Totals
Cultivation	17	14	22	53
Post-harvest processing	7	6	7	20
Plant health	3	3		6
Storage	1	1	1	3
Fumigation		1	1	2
Irrigation	1	1		2
Maintenance	1	1		2
Management*			1	1
Packaging		1		1
Unknown**			1	1
<b>Totals</b>	<b>30</b>	<b>28</b>	<b>33</b>	<b>91</b>

\*Joint Body member

\*\*Attendance sheet not legible

## 2. CONTEXT

In this section we provide a brief introduction to the context of the study. In the first sections we review the institutional trajectory of Fairtrade. The second half of the chapter presents some relevant aspects of the historical and socio-economic context of flower production in Ecuador.

### 2.1.1 Fairtrade International

Fairtrade labeling initiatives began in 1988 when the Dutch NGO *Solidaridad* allied with an indigenous coffee cooperative in Mexico to help the cooperative develop markets abroad and improve living conditions for farmers (Jaffe, 2012). In turn, *Solidaridad* created the label 'Max Havelaar' for organized smallholder farmers, which would later be applied to other products whenever the following criteria were met by aspiring producers and buyers:

- ❖ Buyers paid a minimum product price that represented a fair income for organized smallholder farmers and that included an additional 'Fairtrade Premium' for farmer organizations to invest collectively.
- ❖ Buyers offered advanced payments to farmer organizations in order to reduce indebtedness.
- ❖ Buyers established long-term relations with democratic farmer organizations.

Variations of this system were adopted and promoted by NGOs in Europe and North America. In 1997, a group of European-based NGOs converged and created an umbrella organization, Fairtrade Labelling Organizations International, which later became Fairtrade International. Fairtrade International was designed to function as an international body that would become responsible for standard setting, producer support, and certification on behalf of the national labeling initiatives. The Fairtrade organization Transfair USA, which would become the largest in the United States, formed the following year. In 2004 the Fairtrade certification organization became an independent auditing body, FLO-Cert.

Fairtrade International has become the most prominent Fairtrade labelling organization in the world and it continues to grow. In 2011, Fairtrade certified over 300 products (three times more than it had in 2006), including a wide range of agricultural products, timber, and sports balls. Overall sales of Fairtrade products reached \$6.6 billion in 2011, and a total of 327,053,000 Fairtrade-certified flowers were sold, making flowers the seventh-largest Fairtrade product behind banana, cocoa, coffee, cotton, sugar, and tea (Fairtrade International, 2012).

Amidst such rapid growth, Fairtrade has transformed itself in many ways. Although many analysts maintain that Fairtrade's original focus on using international trade to improve the living and working conditions of the poor in the Global South has remained constant (eg. Reynolds, 2000), there is no doubt that as Fairtrade grows it faces new challenges to maintain a balance between its values and its perceived need to grow and change.

These questions translate into important debates within the Fairtrade network. Fairtrade's decision to increase volume by associating with large corporate firms, such as Starbucks and Nestle, has been controversial. In terms of coffee, such firms produce millions of pounds of product annually, but may convert only minimal percentages of their total production into Fairtrade (Jaffe, 2012). Fairtrade has also increased the total volume of Fairtrade products sold by expanding the types of products it certifies, including the incorporation of products produced on agribusiness plantations (e.g. flowers, tea, and fruits). Fairtrade

developed standards for hired labour contexts and incentives for plantations to join the system, principally through the promise of higher prices and access to stable markets. The inclusion of agribusinesses has drawn criticisms<sup>14</sup> from those who would reserve Fairtrade for farmers organized in cooperatives. Recognising this tension, the majority of Fairtrade certified products, including cocoa, honey, coffee, sugar, and cotton, continue to remain exclusively smallholder farmer products.<sup>15</sup>

Another related debate has arisen around the extent to which Fairtrade should promote local unions and/or freedom of association in hired labour settings. The Fairtrade standards state that 'Fairtrade International promotes the rights of freedom of association and collective bargaining and considers independent and democratic trade unions the best means for achieving this' (<http://www.fairtrade.net/hired-labour-standards.html>). The Fairtrade's Workers' Rights Strategy of 2012 states that 'Close collaboration with trade unions is also necessary to ensure that Fairtrade will be a conduit to the development of free and independent workers' unions' (<http://www.fairtrade.net/workers-rights.html>). Relationships with trade unions have been developed in certain national contexts, but in Ecuador, for example, this strategy has been questioned by Fairtrade representatives as being uninformed by the capabilities of local trade unions, by the highly-competitive conditions of flower-production, and as a threat to producer relations.

Throughout Fairtrade's growth, changes in standards and strategies have drawn criticisms from those who worry that Fairtrade risks being 'reabsorbed' by the market', whereas others have highlighted concerns about Fairtrade's ability to monitor conditions (Jaffee, 2012). By the same token, growth has allowed for the system to include 1.2 million producers (991 organizations) in 66 countries, generating nearly 84 million USD in Fairtrade Premium funds in 2011 alone (Fair Trade Resource Network, 2012).

The present study comes at a time of institutional reflection and evaluation, as Fairtrade is in the process of defining new regional strategies and standards for hired labour contexts.

### **2.1.2 Flowers: A unique Fairtrade product**

The history of social and environmentally-certified flowers can be traced back to the Austrian women's solidarity organization *Frauensolidarität*, which drew attention to the unsafe use of agrochemicals on Colombian flower plantations in the 1980s. A European flower campaign began in 1990 in Switzerland as a joint initiative by a Swiss-Colombian working group,<sup>16</sup> the World Wildlife Fund, and Greenpeace. The issue was picked up by several non-profit groups in Switzerland, including Swissaid and Berne Declaration. Awareness campaigns in turn spread to Germany through the work of Bread for the World and FIAN.

In 1995, a Swiss campaign promoted the idea of introducing a Fairtrade label for flowers. Campaigners, producers, and traders approached the Max Havelaar-Foundation (Switzerland) in 1997 to provide a label for flowers, but after initial research in Latin America and consultation within Fairtrade, Max Havelaar decided not to take this forward. In turn, flower campaigns in Switzerland and Germany, along with international trade unions, developed an International Code of Conduct for flowers (ICC) based on standards that had been drafted by business representatives, campaigners and Max Havelaar for a Fairtrade label.

A non-Fairtrade pilot project was initiated, bringing together a large German flower trader with one of the two major Swiss retailers, which worked with producers in Zimbabwe. The Flower Label Program (FLP)

<sup>14</sup> US-based Equal Exchange is a prominent critic on these grounds.

<sup>15</sup> In September 2011 Transfair USA announced its decision to change its name to Fair Trade USA and to separate from Fairtrade International, in large part to pursue a policy of certifying small, non-associated farmers, and coffee plantations. Fairtrade International has established its own operations in the United States and maintains a policy of only certifying organizations of small coffee producers.

<sup>16</sup> The working group became an organization called 'Flower Coordination Switzerland.'

became the verification and labeling body.<sup>17</sup> The Swiss retailer paid a premium of about 10 per cent of the product price to the plantations, which was used for social projects on behalf of workers, including housing, school, water supply, and farming projects.

Despite significant investment in promotion, the retailer was not able to establish the FLP-label in the Swiss market. In 1999, the retailer invited the new director of Max Havelaar Switzerland to Zimbabwe to demonstrate the benefits for workers that had resulted from standard compliance and premium projects. The director was impressed by the results and convinced by the economic potential for Fairtrade flowers. Product development work for a Fairtrade flower standard was re-initiated. Other Fairtrade labeling initiatives were very critical and did not join this effort. However, eventually Fairtrade International agreed to the proposed flower standard and to a pilot project under the condition that the Max Havelaar-Foundation (Switzerland) would incur the total costs and responsibility of developing and running the program, including certification and producer assistance.

In 2003, an initial evaluation was carried out in Kenya, Zimbabwe, and Ecuador that produced recommendations for the further development of standards and support to strengthen Fairtrade principles in flower plantation contexts, including worker empowerment. As of January 2006, certification responsibility for flowers was handed-over to FLO-Cert. In 2007, the differences between the Max Havelaar-Foundation (Switzerland) and Fairtrade International support approaches, as perceived by workers and management representatives, were evaluated by Fairtrade International and Max Havelaar-Foundation (Switzerland) in Kenya and Ecuador.

In 2011, impact analysis of Fairtrade flowers in East Africa and Ecuador was commissioned by Fairtrade International and Max Havelaar-Foundation (Switzerland). On the basis of the initial draft of this research, Max Havelaar-Foundation (Switzerland) and Fairtrade International decided to commission the current study in 2012 to analyze in greater depth the perception of workers on their empowerment process and goals.

**Table 3:** Why flowers are a unique Fairtrade product

<b>Flowers constitute a unique Fairtrade product for the following main reasons:</b>
❖ Flowers were the first Fairtrade product to be sourced exclusively from plantations.
❖ Flowers were the first non-food Fairtrade product to gain certification.
❖ The ecological and social minimum standards specific to Fairtrade flowers are more demanding than for other products, largely due to continued civil society campaigns directed towards the flower industry. No other product-specific Fairtrade standard contains a comparable number of minimum and progress requirements in addition to the generic standards.
❖ No Fairtrade minimum price exists for flowers; the Fairtrade Premium is linked to value (i.e. it is a percentage paid on top of the negotiated contract price). <sup>18</sup>
❖ Flowers are highly perishable and the flower industry depends on air freight (although recently trials have begun with sea shipments).

<sup>17</sup> FLP resulted from the merger of the German flower campaign and an existing project of the German NGO GTZ for Ecuadorian flower growers. FLP promotes the environmental standards and labour conditions standards laid down in the ICC.

<sup>18</sup> This is currently set at 10 per cent.

- ❖ Flowers represent a challenge for traceability control.
- ❖ Organic production is not a Fairtrade requirement and in the early 2000s it was considered impossible within the flower industry (producers spray pesticides in greenhouses).<sup>19</sup>

### 2.1.3 Fairtrade flower standards

Fairtrade has distinct generic standards for smallholder farmer organizations and plantations. Each set of standards describes Fairtrade's objectives and the criteria that producer organizations must comply with in order to obtain and maintain certification. Standards also indicate that producer organizations must comply with national legislation and selected conventions, particularly the core conventions of the International Labour Organization (ILO).

In hired labour situations, the Fairtrade generic standards indicate that *workers* (excluding middle and senior management) can participate in Fairtrade if they are organized, preferably within trade unions. Where no trade union is present in a plantation, the standards require that 'There must be some form of democratically elected and independent workers' organization established to represent workers in the company and negotiate with management' (<http://www.fairtrade.net/hired-labour-standards.html>). Historically these workers' organizations have been known as workers' committees. The company seeking to be certified must be willing to comply with generic and product-specific standards, including standards 'to pay decent wages, guarantee the right to join a trade union, ensure health and safety standards, and provide adequate housing and other social provision where relevant' (ibid.).

Social development criteria are designed to 'increase the empowerment and well-being of their workers' by protecting workers' rights, including those defined in ILO conventions in relation to:

- Freedom from discrimination;
- Freedom of association and collective bargaining;
- Fair conditions of employment (wages, hours, overtime, etc.);
- No forced or child labour (minimum age of 15 years);
- Occupational health and safety.

Economic development criteria are designed to promote social and economic benefits through Fairtrade Premium investments, developed and managed through the periodically-elected Joint Body (the Fairtrade-specific workers' organization which is created to manage the use of the Fairtrade Premium) and approved by majority vote in periodic workers' general assemblies. Joint Body members receive training in finance, management, transparent and democratic leadership, and project management to help them to develop and implement investment ideas, which must benefit workers, families, and/or their communities.

Environmental criteria are intended to ensure that companies protect natural resources.

Product-specific requirements deal with terms of trade that traders must respect. For example, traders generally must commit to long-term trade relationships and have robust traceability systems in place.

Both traders and producer organizations are audited annually to ensure compliance with standards. Fairtrade periodically reviews its standards and in January 2014 Fairtrade published its new generic Fairtrade standards for hired labour organizations.<sup>20</sup>

<sup>19</sup> Today certified organic roses from Ecuador are available and several non-certified plantations have organic production, including one medium-sized plantation that has 'agroecological' production.

<sup>20</sup> The new Fairtrade Generic Standards for Hired Labour Organizations were published in January 2014 and are available at: [http://www.fairtrade.net/fileadmin/user\\_upload/content/2009/standards/documents/generic-standards/2014-1-15\\_HL\\_EN\\_FINAL.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/2014-1-15_HL_EN_FINAL.pdf). Between 2005 and 2008, Fairtrade reviewed standards for flowers and plants. After 2008, traders were

## 2.2.1 A brief historical introduction to the flower-producing territories of the Ecuadorian Andes

The following brief introduction to the history of the Ecuadorian Andes is important given that the object of study is to understand changing power relations within the Fairtrade plantations. Power relations are continually constructed and reconstructed and it is important to keep in mind the complex nature of this construction in order to understand the challenge of helping workers to question and to change power relations, particularly in a context in which steeply vertical social and labour relations have been reproduced for centuries.

In the 16<sup>th</sup> century, the Spanish conquered much of Ecuador and constituted and distributed large estates. In modern Ecuador, flower production is concentrated in the Andean basins in which large estates called *haciendas* were concentrated from the late-16<sup>th</sup> century until the mid-20<sup>th</sup> century. During most of these four and a half centuries, indigenous peoples on *hacienda* lands lived in semi-feudal conditions, working for a small salary and the right to access a plot of land, water, pastures, and/or roads. They and their families worked several days a week (i.e. 3-6 days) for the *hacienda* owner and were generally prohibited from buying goods that were not produced on the *hacienda* itself, thus leading them into perpetual debt. In effect, when a landowner sold his *hacienda*, he generally sold an indebted indigenous population along with it (Becker and Trujillo, 2009).

Landowners often characterized themselves as fatherly figures to their labour supply (Guerrero, 1991). They were often godfathers to workers' children; they were present at births, marriages, and funerals; and indigenous festivals were generally celebrated in the *hacienda* main plaza. By contrast, *hacienda* administrators, who usually came from the indigenous communities themselves, are often remembered as having maintained control in the *hacienda* under threat of violence.

When Ecuador achieved full independence in 1830, citizens were defined as literate property owners; land possession did not change considerably; and the *hacienda* system continued. Modern indigenous organizing has been traced to the mid-1800s, as local indigenous resistance found allies in liberal governments that aimed to wrest power from conservative landowners (Coronel, 2011). By the late 1800s many indigenous communities allied with liberal forces to carry out the Liberal Revolution, taking power from the church and conservative landowners.

The alliance between indigenous communities and the liberal state fell apart when the state took over church lands and church-owned *haciendas*, but did not end indigenous exploitation on these estates (Becker and Trujillo, 2009). New alliances formed between indigenous leaders (many from the region of Cayambe) and urban communists and socialists from the 1920s through the 1950s and a series of violent confrontations took place throughout the country in these years between indigenous groups and landowners backed by the state.<sup>21</sup>

In 1964, the *hacienda* system began to be dismantled by the state in response to indigenous organizing and pressure from the United States, which wanted to preempt another Cuban revolution.<sup>22</sup> These reforms, however, also took place and were shaped by a state that wanted to support urbanization, industrialization, and modernizing landowners (de la Torre, 1980; Guerrero, 1983; Murmis, 1980). A limit of 1,000 hectares on the extension of *unproductive* lands was established and wealthy rural landowners divested themselves of their least valuable lands; converted their richest lands into capitalist agricultural production (largely dairy in the central and northern Andes); and sold-off other extensions to wealthy investors. The indigenous population was largely left without land or with access to only the least desirable lands, often located on

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required to pay within 15 days after receipt of documents transferring ownership; the premium was set at 10 per cent of the FOB-price (down from 12 per cent); management and Joint Bodies were required to carry out self-assessments and seek external support; more guidance was provided on health and safety issues; and the components of bouquets prepared by producers or others in the chain (except florists) were required to be 100 per cent Fairtrade (with possible exceptions).

<sup>21</sup> In 1946, the first national indigenous organization was founded: the *Federacion Ecuatoriana de Indios*.

<sup>22</sup> 11 Latin American countries carried out agrarian reforms in the early 1960s.

steep hillsides.<sup>23</sup> Government loans, guaranteed minimum prices, and technological assistance helped wealthy dairy producers more than indigenous peoples, who had little to no access to fertile land, irrigation systems, or markets and suffered from ethnic discrimination in many areas of public and private life (Cosse, 1980; Salamea, 1980; Pallares, 2002). Migration flows into the cities increased precipitously, absorbing jobs in construction and domestic services (Sáenz, 1980).

Many migrants and their children from the Andean cantons of Cayambe and Pedro Moncayo in the province of Pichincha were able to return to their communities due to the appearance and growth of the flower industry in the 1980s, which required between 11 and 13 times more workers per hectare than dairy farming. In the words of sociologist Tanya Korovkin, 'the growth of the cut flower industry turned the tide of rural-urban migration, offering rural youth minimum-wage employment close to their communities' (2005; 61). In turn, the industry has attracted migrants from Peru, Colombia, and Ecuador's coastal and Amazonian regions.

## **2.2.2 The origins of the Ecuadorian flower industry and emerging social concerns**

In the 1980s, many countries in Latin America adopted policies to promote non-traditional export crops. In the case of the Ecuadorian flower industry, the government played little direct role. USAid is often cited as having played a greater role, albeit limited as well (Sawers, 2005). Nonetheless, flower exports in Ecuador grew from half a million dollars in 1985 (Larreamey et al., 2001) to 678 million dollars in 2011 (EXPOFLORES, 2012a). Trade unions and flower growers estimate that there now exist between 700 and 800 flower plantations in Ecuador, employing approximately 60,000 workers directly and another 60,000 indirectly.<sup>24</sup> The industry's successes have been attributed to the long evolution of the global and US flower markets between the 1950s and 1990s; Colombia's economic difficulties in the 1980s, leading to a dislocation of rose production from Colombia to Ecuador; growing demand for roses in Eastern Europe in the 1990s; the 1992 elimination of the tariff on flower imports in the U.S., through the Andean Trade Promotion and Drug Eradication Act (ATPDEA); Ecuador's favourable infrastructure, including roads, that was made possible by the oil boom of the 1970s; and, perhaps most commonly cited, Ecuador's superior growing conditions and its cheap and abundant rural labour supply (Korovkin, 2002; 2003; 2007; Sawers, 2005; Stewart, 2007; Waters, 1993; Ziegler, 2007).

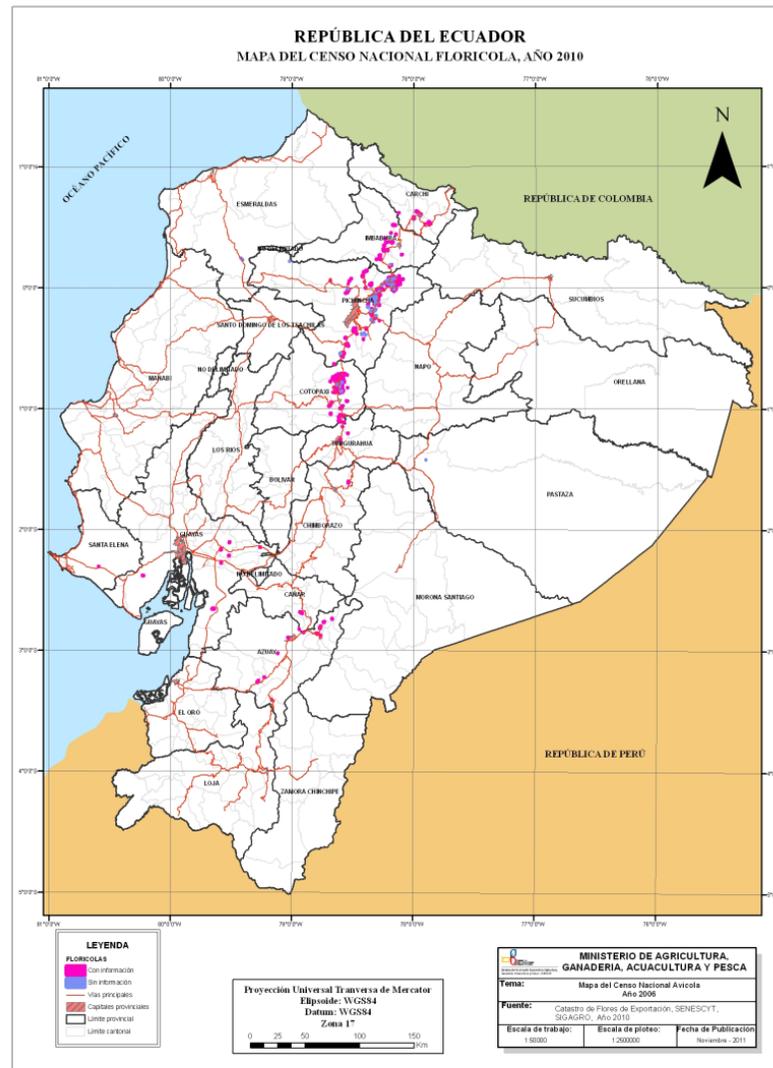
This industry has changed considerably throughout its development, but perhaps the most dramatic change took place in 2000 when the industry lost its exchange rate advantage (selling flowers in dollars and covering costs in the Ecuadorian currency, the *sucre*, whose value had consistently declined versus the dollar throughout the 1980s and 1990s). Financial deregulation in the early 1994 and a series of external and climatic shocks beginning in 1998 led to bank failures and hyperinflation. In response, the Ecuadorian economy experienced an informal dollarization and in 2000 the government established the US dollar as its only official currency. Leading up to this year, credit for establishing flower plantations (and other entrepreneurial initiatives) had been notoriously easy to obtain. Dozens of plantations then closed in the years following dollarization, although in many cases popular memory blames these closings on unionizing movements that arose in response to worsening conditions. Ultimately, industry leaders often cite this purging moment as a general shift towards professionalization in the flower sector, as only well-run plantations were able to survive.

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<sup>23</sup> The number of cattle in the Ecuadorian Andes more than doubled between 1954 and 1987, whereas the output of all major crops decreased as indigenous populations struggled to subsist on eroding hillsides (Whitaker and Colyer, 1990).

<sup>24</sup> Precise, centralized data does not exist on the number of flower plantations in Ecuador or the number of workers associated with this sector. The Ministry of Agriculture (MAGAP) attempted to carry out a census of the industry in 2010, but only obtained information on 376 plantations and 32,565 workers (MAGAP, 2010).

**Map 1:** Geographic concentration of 376 companies in the 2010 national census of flower plantations (Source: Ministry of Agriculture, Cattle Farming, Aquaculture, and Fishing of Ecuador (MAGAP), 2010)



Widespread abuses and negative impacts have been attributed to the industry and documented in terms of the unsafe use of toxic agro-chemicals banned in other countries and consequent skin and respiratory illnesses among workers and birth defects among workers' children and farm animals, as agro-chemicals have seeped into water supplies;<sup>25</sup> the sexual harassment and abuse of female workers that accompanied the feminization of rural work; unfulfilled obligations in terms of worker payment, benefits, limits on hours, and severance pay; the concentration of fertile lands, inflated land costs, land appropriations, and the surrounding of rural communities by plantations; the concentration of water resources; taxation policies that do not promote the regional and local redistribution of revenues; centrifugal effects on community

<sup>25</sup> This situation led to the GTZ project mentioned earlier, which gave rise to FLP.

organizing traditions and initiatives;<sup>26</sup> the employment of child labour;<sup>27</sup> the repression of labour organizing; and persistent poverty, despite job creation (Breilh, 2007; Harari, 2003; Hincapié et al, 2007; Jara, 2003; Korovkin, 2002; 2003; 2007; Larreamendy et al, 2002; Mena, 2005; Palán and Palán, 1999).

Among some of the more out-spoken local critics of the industry have included the national trade union FENACLE, which in 2012 published a critical study entitled 'Working Conditions and Labour Rights in the Ecuadorian Flower Industry' [*Condiciones de trabajo y derechos laborales en la floricultura ecuatoriana*] (Harari and Harari) to implicate the industry as a whole for the repression of organizing efforts and for a variety of negative social and environmental impacts already mentioned. This study also criticized several producer certifications that, according to the authors, promoted 'superficial measures' (ibid.; 115). The authors made no reference to Fairtrade certification. Other prominent local critics have included the medical doctor and social scientist Dr. Jaime Breihl; the agrarian think-tank SIPAE; and the foundation CIMAS, which carries out epidemiological research in the flower-growing canton of Pedro Moncayo.

### 2.2.3 Institutional and organizational responses to social concerns

The state has never had a strong regulatory presence in the flower sector. As of 2012, two representatives of the Ministry of Labour Relations were located full-time in Cayambe, regulating hundreds of plantations in and around Cayambe and Pedro Moncayo. According to the director, they often relied on word of mouth to find out about the existence of smaller, unregistered plantations, which have become increasingly common and sell their production to larger plantations (Interview, Cayambe, 2011).

Trade unionism in Ecuador in general has been debilitated since the early 1990s due to increasingly restrictive legislation and state campaigns to de-legitimize it. Freedom of association has been actively and systematically limited in the flower sector in particular through black-listing techniques and, in some cases, violence. A representative of the Nucleus of Flower-Growers of Cayambe<sup>28</sup> explained some forms of repression in the following terms:

*The idea of a union is rather contentious; the moment that a union is viewed forming, the first thing [management] does is fire them because it is not in [management's] interest. [Unions] ask for more than they can give... Sometimes they fire the leaders... The 'black list' does not exist – it is something sensitive, to have something like that in written form; it happens through phone calls; the [representatives] from Human Resources know each other and they communicate. Sometimes [workers] believe that we have the black list. They say to me... 'please erase me from the black list,' but I tell them that the black list doesn't exist. Better yet, I tell them to go get a recommendation [from their former employers], but it's a long shot to get one. (Interview, Cayambe, 2011)*

There is a common perception among workers that black-lists do exist and that it would be difficult to find employment if one is let go for participating in unionizing movements. This perception generates fear about addressing the issue of unions among workers throughout the sector.

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<sup>26</sup> The flower sector's centrifugal effects on communities and community-based organizations were first highlighted by sociologist Tanya Korovkin in the same year that Max Havelaar arrived in Ecuador in 2002 and have remained one of the main reasons for the weakening of local organizations in recent years, in addition to the withdraw of international aid from Ecuador, climate variability (given that many organizations are constituted as smallholder farmer organizations), and migration to Quito (especially due to the current boom in the construction sector and high demand for temporary labour there).

<sup>27</sup> Child labour was greatly reduced through campaigns in the years after a 2002 study by the International Labour Organization that denounced child labour in the sector, although **child labour is now returning** through the multiplication of **un-registered plantations** of approximately 1 hectare, often located on hillsides in indigenous communities, which tend to use family and child labour and sell their flowers to larger, registered plantations.

<sup>28</sup> The Nucleus of Flower-Growers of Cayambe is an association of two dozen plantations in Cayambe that are also associated with EXPOFLORES and certified by FLOR ECUADOR.

Territorial- or ethnic-based social movements and organizations often lobby the government for the re-distribution of rights and resources in rural Ecuador on behalf of small-scale and often indigenous producers and under the banners of food sovereignty and territorial rights, both protected in the national Constitution. These groups are generally critical of agroindustries. On a local level, grassroots organizations often focus on supporting smallholder farmers by channeling resources from NGOs and collectively marketing goods. On regional and national levels organizations such as CONAIE and FENOCIN engage in lobbying efforts and legislative reform, but they have not engaged workers in the flower industry specifically and have not been able to effectively mobilize or represent rural workers, despite the fact that rural workers are often smallholder farmers as well. Thus, to-date these organizations have not provided much direct regulatory pressure in the flower sector.

The flower industry itself has undertaken initiatives to auto-regulate its members. Since 2008, the national organization of flower growers, EXPOFLORES, has offered the social and environmental certification FLOR ECUADOR, which largely aims to ensure the fulfillment of national laws, in addition to reducing the use of pesticides and other agro-chemicals. Currently, 90 plantations carry the certification FLOR ECUADOR ([www.flordelecuador.org](http://www.flordelecuador.org)).

Fairtrade and other labeling actors have represented another response to the social and environmental issues arising from the flower sector and other agro-export industries in the country. Over the last decade, certifications in Ecuadorian flowers have included FLP, MPS, Veriflora, Rainforest Alliance, Global Gap, and BASC, among others. Fairtrade is generally recognized as the most demanding certifier in terms of social standards.

Segments of the fair trade movement were able to influence the content of the Constitution of 2008, which describes the responsibility of the state to promote fair trade, according to articles 304 (objective 5) and 336. Thus, there exists a vaguely-defined constitutional and potentially strategic framework for fair trade organizations to collaborate with the state.<sup>29</sup>

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<sup>29</sup> **Artle 336 of the Constitution:** states the following 'The state will promote and advocate for fair trade as a means of accessing high-quality goods and services that minimize the distortions of intermediation and promote sustainability.' **The national development plan (2009-2013)** highlights the state's goal to 'promote the development of economies of scale and of fair trade' and indicates that the state has the responsibility to seek 'access to mechanisms of fair trade... through the promotion of Commercial Agreements of Development, whose rules make possible a greater commercial exchange between Ecuador and any other state. They must be framed in agreements that not only see as objective free trade, but also pursue a truly fair trade, considering social, environmental, and inter-generational responsibility' (SENPLADES; 109).

### 3. METHODOLOGY

In this section we explain in more detail the research methodology that was adopted for the study. The section includes a description of research design process and the research hypothesis, and a brief review of institutional and academic literature on the concept of empowerment.

#### 3.1.1 Literature review of empowerment.

Most institutional definitions of empowerment focus on increasing power or control over decisions and resources. The United Nations Development Programme's Gender Empowerment Measure emphasizes overcoming inequalities in economic and political participation (UNDP, 1995). The International Fund for Agricultural Development's definition includes expanding access to productive resources and the ability to participate in decision-making (Popular Coalition to Eradicate Hunger and Poverty, 1995). The UNICEF Women's Equality and Empowerment Framework highlights expanding women's awareness of the causes of inequality and augmenting capacities to express interests and take action to change power relations (www.unicef.org/gender). The World Bank understands empowerment in the following terms:

*In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life. As people exercise real choice, they gain increased control over their lives. Poor people's choices are extremely limited, both by their lack of assets and by their powerlessness to negotiate better terms for themselves with a range of institutions, both formal and informal. (Narayan, 2002; 11)*

Amartya Sen (1999) has focused on the individual freedom to choose and influence distinct outcomes. Naila Kabeer (2001) writes about three dimensions of empowerment that create a capacity to exercise personal choice: access to resources, agency, and outcomes. Other writers explore empowerment specifically at the individual and relational levels, involving the expansion of a sense of self-esteem or self-confidence, on the one hand, and the ability to negotiate and influence relationships, on the other (Rowlands, 1997).

'Empowerment' is also a term that has been criticized on the grounds that certain NGOs and governments have restrained and channeled political struggles into limited empowerment processes. This view considers that empowerment may extend access to certain, limited resources or expand selected, limited capacities to marginalized populations without promoting their full participation in political spaces or decision-making processes and, thereby, evading the possibility of structural change (Mohanty, 1995).

In summary, institutional and academic empowerment definitions tend to center on the expansion of freedoms, agency, or choice. Although definitions of specific forms of empowerment may be relative to local value systems and historically-rooted social, economic, and political hierarchies, empowerment is generally understood to have intrinsic and instrumental values and to be relevant at both the individual and collective levels. Specific objectives in empowerment processes tend to include some combination of the following three:

- 1) The expansion of personal negotiating capacities
- 2) Access to resources
- 3) Influence in institutional and/or political decision-making

#### 3.1.2 Developing an initial hypothesis on worker empowerment for research design

The elements of empowerment identified through the literature review were shared with workers during three workshops in December 2011, on a Fairtrade-certified flower plantation (designated 'Farm A' in this study). The focus groups were designed to discuss possible meanings of empowerment with members of the Joint Body, the Workers' Committee, and workers who had never participated in either of these organizations.

Workers defined a process of empowerment based on an **expanding knowledge of social and civil rights** and on practice in personal **assertiveness, self-expression, and negotiation**. The expansion of skills for personal expression reportedly generated relationships with supervisors and management that were increasing horizontal. As one member of the Workers' Committee noted, 'I used to worry when I talked to the supervisor or in the assembly, 'did I speak well or did I speak poorly?' With practice, this worker's inhibitions diminished and she became more willing to express her interests. Workers also cited the acquisition of technical skills, such as computer or accounting skills.

In their definitions of empowerment most workers included increased personal capacities as a necessary but insufficient element to generating personal freedoms, choice, or control (some of the synonyms employed to describe empowerment). Building personal capacities was generally considered by the participants in these three focus groups as complementary to facilitating **direct access to economic resources** through premium investments, which were characterized as central to worker empowerment.

Finally, **political influence** was included in an initial hypothesis as a possible third element given its central role in institutional and academic literature and in light of the common criticism of the flower industry that it has led to the deterioration of local forms of organizing that traditionally helped to ensure the defence of collective interests.<sup>30</sup>

### 3.2 Methodology

The methodology for the series of focus groups that was to be held with workers on three plantations in June 2012, was developed with the intention of creating a space for workers to further discuss the concept of empowerment in relation to their time in the Max Havelaar/Fairtrade system. The initial hypothesis about worker empowerment was used by the workshop facilitator to structure questioning and as a conceptual framework to be re-worked and re-conceived based on worker input. The workshop facilitator who developed the methodology summarized the hypothesis in the following terms:

- 1) Promotion of rights
- 2) Access to resources
- 3) Establishment of networks and alliances

Rather than consolidating the preliminary hypothesis into surveys to quantify results and validate the hypothesis, a focus group format was maintained in order to provide the workers with spaces for collective reflection and knowledge building and allow the researcher to question and re-define the initial hypothesis. In addition, the focus group format was used to contribute to empowerment processes through collective analysis, learning, and goal creation.

Prior to the workshops, the workshop facilitator requested lists of workers from the plantation management on each of the three participating plantations. Workers were chosen by the research team to participate in the study based on the following criteria:

- 1) Three focus groups were to be carried out on each of the three plantations. One focus group would include current or past members of the Joint Body; one would include current or past members of the

<sup>30</sup> Ecuador has often been described as a 'corporatist' democracy in the sense that since its founding, those segments of society that have been best able to negotiate, define, and access rights through the state have either been either economically powerful or well-organized groups (Coronel, 2011).

Workers' Committee; and the third would include workers who had not been members of those worker organizations.

2) Each group was to have at least 10 participants.

3) Priority was given to participants with at least 10 years of experience on the plantation, although the inclusion of newer workers was also valued.

4) Equal numbers of men and women should participate in each group. Each group would be divided according to gender after an initial introduction to the exercise.

In June 2012, 91 workers (including 49 women and 42 men) participated in nine workshops, which were divided by gender into a total of 18 focus groups. These workers had between nine months and 20 years of experience in their respective workplaces and averaged 10 years of experience. Each workshop lasted between three and four hours and included between nine and 13 workers, averaging 10 workers per workshop (roughly half female and half male). The composition of the workshops and focus groups is set out in detail in Table 1 and Table 2 at the end of Section 1 of this report.

The methodology employed needed to be **innovative** insofar as 'empowerment' was not a concept that had been addressed in-depth among most workers, nor was it a part of everyday discourse or reflection in Ecuador. The study had to generate a space for workers to discuss, consolidate, and articulate beliefs on empowerment.

The workshop facilitator -- an independent consultant who had formerly worked as a Fairtrade Liaison Officer with Fairtrade-certified flower plantations in Ecuador -- began each session by providing a broad theoretical framework for the workers to reflect on 'empowerment' in terms of expanding or diminishing 'control' over one's circumstances in the workplace, in the household, or in the community. Workers were also asked to reflect upon the root of the word *empowerment* in terms of changing gender relations during the history of the Republic of Ecuador and during the last two to three generations in particular, highlighting specific examples of women gaining greater control. Again, the purpose of this introduction was to construct a broad framework to enable workers to begin to discuss, debate, and generate their own reflections on empowerment.

In each workshop, participants were then divided into focus groups by gender to discuss and develop consensus about changing levels of empowerment over the last 10 years, and key empowerment factors and challenges underlying this. 18 separate focus groups -- nine groups of male workers and nine groups of female workers -- were carried out on the three farms. Each of these groups was asked to draw and illustrate an empowerment path in order to facilitate discussion and consensus-building.

The drawings were not the central source of data, but they were the central mechanism for generating conversations and discourses on empowerment within each gender group. The participants then refined those conversations by sharing them with the researchers and the group as a whole. In the drawing, workers were asked to draw a road or path that would represent the road traveled since certification to the present and continuing on five years into the future.<sup>31</sup> The workers were asked to draw paths that *ascended* in periods in which worker empowerment had improved, and that *descended* when worker empowerment had suffered. They were asked to consider individual, group-specific (e.g. Joint Body, Workers' Committee, or family), and collective forms of empowerment. In addition, they were asked to provide drawings along the path of the mechanisms or events that had impacted power relations (e.g. workers tended to draw a school along the road when Fairtrade Premium investments had been made in a local school). Workers were also provided with cut-out symbols (e.g. bridges, robbers, gas pumps, traffic lights) that could be used to represent events or processes that had led to improvements in, or hindrances to, worker empowerment. Workers were encouraged to interpret these symbols in ways that made sense to them along their own

<sup>31</sup> One male and one female group were not able to project into the future due to time limits.

paths (e.g. in some cases a bridge was placed to represent Fairtrade trainings or aid provided by particular administrators that helped workers learn how to manage Fairtrade Premium funds). Many workers also wrote text along their paths in order to explain contours or stages of changing power relations.

During the drawing process, the researcher visited both the men's and women's group to document worker discussions. The male and female focus groups then came together and presented their results, including their drawings, to the entire group and described the various consensuses they had reached or debated. The researcher also documented discourses during the worker presentations. After the presentations, the researcher summarized the empowerment discourses for the workers to help consolidate them and to validate his documentation.

The information that each of these focus groups produced in terms of consensuses on empowerment processes and on key empowerment factors and challenges was collectively analyzed during the workshops and later analyzed quantitatively by the researcher, who categorized group consensuses to compare frequencies of occurrence; to rank empowerment factors and challenges based on frequency; and to construct a hypothesis for empowerment objectives both for communicating the study's results and for monitoring and evaluation (M&E) purposes going forward.

## 4. RESULTS

In this section we present the research results. In the first section we present the results of the qualitative analysis, reproducing narratives that were common among the 18 focus groups of participants. This is intended to inform and encourage a deeper understanding of the quantitative analysis and the construction of empowerment indicators that follows. The information that each of 18 focus groups on the three participating farms produced in terms of consensuses on empowerment processes and on key empowerment factors and challenges was collectively analyzed during the workshops and later analyzed quantitatively by the researcher, who categorized group consensuses to compare frequencies of occurrence; rank empowerment factors and challenges based on frequency; and construct a hypothesis for empowerment objectives both for communicating the study's results and potentially for monitoring and evaluation (M&E) purposes in the future.

### 4.1.1 Qualitative analysis: Strengthening individual voice and developing horizontal relationships

Participants who had been employed by the plantation over a longer time-scale tended to describe in similar ways the processes of change in their workplace that began with the adoption of Fairtrade standards around the year 2002. Participants described the period from 2002 until 2004-2005 as a difficult learning period during which they observed few concrete, positive impacts in terms of increased worker control over their surroundings on or off of the plantation. However, participants valued the trainings sessions that Max Havelaar-Foundation Switzerland provided during that period as having laid the necessary groundwork for developing 1) greater self-confidence for expressing their ideas and concerns and 2) skills for negotiating with administrators and for executing projects with Fairtrade Premium funds.

The process of developing skills and confidence resulted from participation in workers' organizations (Joint Body, Workers' Committees, and workers' assemblies) and training sessions to support workers to construct ideas collectively and reflect upon common interests, including training sessions on technical skills (e.g. accounting, computer skills, project management), well-being (e.g. on family or health issues), and worker rights and obligations.

The male and female participants associated with the Workers' Committee at Farm B, for example, described a path that began in 2002, when they reportedly 'didn't take things seriously [*no tomamos las cosas en serio*].' With respect to Fairtrade, the workers 'thought that it was just going to end in empty promises [*pensaban que solo iba a quedar en palabras*].' Such incredulity was compounded by worker reticence to participate and to express ideas and concerns to the management and to their co-workers. 'I was scared to make a mistake [*tenía temor de equivocación*],' expressed one worker. However, during training sessions and through participation in workers' organizations, workers gradually overcame their hesitance to participate, which has manifested itself through a 'greater assuredness to speak [*más seguridad para hablar*].' In turn, workers on Farm B reported that they were better able to influence changes on the plantations, such as the frequency of uniform issuing or the construction of the lunch area.

In addition, the development of the willingness and skills to express ideas and concerns on the plantation has led some workers to participate more readily in community organizations. One participant stated that the Workers' Committee has been 'very good in a personal sense—trainings on leadership, family [issues]... how to run the Assembly; and now I go to a meeting in my community and I propose things; now we aren't afraid [*muy bueno en lo personal—capacitaciones en liderazgo, familia... cómo dirigir la asamblea; y ahora voy a una reunión en mi barrio y propongo cosas; ahora no somos aterrizados*].'

These workers on Farm B compared the example of successfully negotiating an extra half day for the annual worker field trip in 2012 with the first Workers' Committee meeting with the general manager in 2002. One of the workers who had been present at that first meeting reported that 'nobody said anything

*[nadie decía nada].*' Another participant recalled that everyone stood back from the general manager and directly behind the president of the Workers' Committee. At that meeting it was the general manager himself who proposed and resolved a series of issues with no worker input whatsoever. The workers had been too afraid to speak out. The younger workers present in the focus group laughed at this example of extreme reticence on behalf of their now more experienced and assertive co-workers.

Workers associated with the Joint Body at Farm C recalled that in 2006 they had difficulties interpreting the revised Fairtrade Hired Labour Standards that came into effect in the wake of the transition from Max Havelaar-Foundation (Switzerland) to Fairtrade International; however, they reported that through training and experience they improved their knowledge about Fairtrade, their skills and capacities to manage the Joint Body, their ability to communicate with the General Assembly, and their self-confidence to defend their ideas to management. In the words of one worker, by 2008 'we could then manage ourselves before the assembly *[nosotros ya podíamos manejarnos ante la asamblea].*' Another worker added that '[now] we defend our ideas; we have better self-esteem; [management] can't impose things on us *[defendemos nuestras ideas; tenemos mayor autoestima; no nos pueden imponer las cosas].*'

The impacts of Fairtrade mechanisms in terms of developing willingness and capacities for expressing ideas and concerns were felt less among workers who had not participated in their respective Joint Body or Workers' Committee, although in the case of Farm C, impacts were reported throughout the workforce.

**Table 4:** Workers talk about the development of willingness and capacities to express ideas and concerns in the workplace

Empowerment process	Representative Quotations	Group
Development of willingness and capacities to express ideas and concerns in the workplace	<p>'Before, we only worried about working; we've opened our minds... [In 2006] the management said yes or no... It was more difficult to negotiate; there was no freedom to ask... Now, the majority [of workers] can express themselves <i>[Antes solo nos preocupamos de trabajar... abrimos el cerebro... decía o si o no... era mas difícil de negociar... no había libertad para pedir... ya la mayoría puede expresarse].</i>'</p> <p>'Before, you would just bow your head; [now] you defend yourself <i>[Antes uno solo se agachaba la cabeza; [ahora] se defiende].</i>'</p>	Farm A (WC)
	<p>'[In 2002] we were dominated by the bosses; we didn't have a free expression. [In 2003], we began to express ourselves, although even then we would bow our heads; [in 2004 and 2005] we already had a free expression, even to design projects; we had more knowledge; [by 2008] we were no longer the same as we were in 2002; we knew how to make ourselves heard. The same in our families, we knew how to give better teaching to our children, to be better than us <i>[Éramos dominados por los jefes; no teníamos una libre expresión sobre nosotros... Empezamos a expresarnos, aunque aun así nos agachábamos las cabezas... Ya teníamos una libre expresión, incluso para elaborar proyectos; teníamos más conocimiento... Ya no éramos los mismos que éramos en 2002; supimos hacer escuchados. Igual, en nuestras familias sabíamos dar una mejor capacitación a nuestros hijos, a ser mejores que nosotros].</i>'</p>	Farm A (JB)
	<p>'[The general manager] no longer seems as tall... it's no longer that difficult to negotiate as it was before; we speak out more easily <i>[El gerente] ya no se ve tan alto... ya no es tan difícil negociar que antes, ya somos más de palabra.</i>'</p>	Farm B (JB)

	<p>'Before, the people were more timid. Now, with so many visits that we get, now we can speak [<i>La gente era tímida. Ya con las tantas visitas que recibimos, ya podemos hablar.</i>']</p> <p>'On the outside, we can participate in some assemblies in our communities and now we can raise our hand and participate... we were more timid – certainly, Fairtrade has helped us to break our limitations [<i>Hacia afuera, nosotros podemos participar en algunas asambleas de nuestros barrios y ahora podemos alzar la mano y participar... éramos más tímidos. Totalmente, el comercio justo nos ha ayudado a romper nuestras limitaciones.</i>']</p>	Farm C (JB)
	<p>'[FLO] has helped me a lot... before, I didn't speak much and now that I am studying [in secondary]; I am the president of my grade [<i>A mi me ha ayudado mucho... antes no hablaba mucho y ahora que estoy estudiando [en colegio]; yo soy el presidente del curso.</i>']</p> <p>'In my community I [the vice-president of the WC] am also the treasurer [<i>En el barrio yo [el vice-presidente del WC] también soy tesorero.</i>']</p>	Farm C (WC)

#### 4.1.2 Qualitative analysis: Accessing resources that reduce dependencies and expand opportunities

Participating workers largely interpreted an increasing willingness and increased capacities to express ideas and concerns as necessary steps for workers to take as they learned to manage the Fairtrade Premium funds and to execute projects successfully. Once workers began expressing their ideas in the workplace more freely, participants affirmed that resource-based empowerment could follow. In turn, as workers' assemblies began to see concrete results from the Joint Bodies and the Joint Bodies gained experience, the Fairtrade Premium became a significant motivator for many workers, particularly beginning in the period 2005-2007.<sup>32</sup>

Participants reported that scholarships, healthcare initiatives, and, above all, low- or no-interest credits for housing and, in limited cases, productive investments, had given workers the greatest sense of increased control in their own lives and in their families' lives, reducing their dependencies on landlords and/or commercial banks and expanding their economic opportunities through education or autonomous productive enterprises.

Participants observed transitions in terms of the types of projects approved by their assemblies, from projects that had been directed to specific individuals, such as credits; to an increasing number of group projects, made available to entire worker populations and their families (generally medical and dental initiatives); and finally to projects that were directed toward local communities (e.g. the creation of computer centres), although the majority of funds continued to be directed towards individual housing credits.

**Table 5:** Workers discuss access to resources to reduce dependencies and expand opportunities

Empowerment process	Representative Quotations	Group
Access to resources that reduce dependencies and expand	'The projects are excellent – I think that every one of us has received a loan [ <i>Los proyectos son excelentes – creo que todos hemos hecho algun préstamo.</i> ']	Farm A (non-WC/JB participants)
	'The corporation [JB] has been a help... I am one week away from graduating [from secondary school] [ <i>La corporación ha sido una ayuda... Estoy a una semana de graduarme [del colegio].</i> ']	Farm B (JB)

<sup>32</sup> According to the participants, the process of developing a solid and efficient Joint Body generally took between three to five years of training and practice within the Fairtrade system.

opportunities	'I graduated; I finished my house – I've already lived in it for two years [ <i>Me gradué; la casa ya terminé; ya vivo dos años en ella.</i> ]	
	'Now I have my house. Now I don't pay rent. Now I don't depend on another person. [ <i>Ya tengo mi casa. Ya no pago arriendo. Ya no dependo de otra persona.</i> ]	Farm B (non-WC/ JB participants)
	'With the [Fairtrade] Premium, I have purchased a small bus... a source of extra work to help my family [ <i>Con el premio he comprado una busetita... una fuente de trabajo extra para ayudar a mi familia.</i> ]  'In my personal case, I have my personal projects outside of here. Fairtrade helped a lot. I have a rice company [ <i>En mi caso personal, yo tengo mis proyectos personales fuera de aquí. Comercio justo ayudó muchísimo. Tengo una empresa de arroz.</i> ]	Farm C (JB)

Many workers associated the development of confidence to express ideas and concerns on the plantation with increasing access to useful resources through the Fairtrade Premium. Participants associated with the Joint Body in Farm A reported how in 2002, they had felt that they were 'controlled' by their supervisors, but as early as 2003 they began to express themselves more as a result of of Max Havelaar-Foundation (Switzerland) training sessions. They recalled that by 2006 they still had difficulties in building consensus in the assemblies and in that year their certification was suspended for three months. However, they noted that, despite this difficult learning process, training sessions on rights and obligations, accounting, and family relations, in addition to encouragement from some members of management, led them to accumulate a critical mass of skills and confidence within the Fairtrade system by 2007. By 2008 they observed a definitive transformation in terms of both confidence and ability to develop projects. From that point on, they began to develop more complicated projects directed towards local communities without any major problems. The current Joint Body members on Farm A are planning the collective marketing of organic food products from workers' farms.

Likewise, the participants associated with the Joint Body of Farm B described a learning process that lasted about two to three years (2003-2005), during which they became more comfortable expressing themselves on the plantation, in addition to learning how to develop Fairtrade Premium-based projects. In 2007, they experienced slight problems related to the legalization of the Joint Body and to changes in Joint Body membership, but they reported that in general their sense of control both on and off the plantation increased continuously in relation to expanding individual capacities and concurrent improvements in the quality of Fairtrade Premium projects.

#### 4.1.3 Challenges

Participants had also experienced challenges to their empowerment processes. Although not all of these challenges were cited on each of the three plantations (in fact, most were cited on just two of the three plantations), nevertheless each point represents a challenge for Fairtrade.

##### ❖ *Addressing resistance from plantation administrators and supervisors*

On two of the three plantations, workers complained of habitual actions of particular administrators and supervisors that did not fall in line with Fairtrade principles. For example, participants associated with the Workers' Committee on Farm B reported that since 2009, they had felt resistance from the Human Resources department to hearing their petitions. Consequently, they preferred to deal directly with the general manager: '[In Human Resources] we have not had open doors; [workers] have not been able to express some things because [the HR representative] always comes up with excuses [*En Recursos Humanos*] no hemos tenido las puertas abiertas para nosotros; no podían expresar algunas cosas porque

*[el representante] siempre salía con cosas.]'*

Participants associated with the Joint Body on Farm A observed that since 2010 the management had not allotted them sufficient time to carry out their responsibilities as a Joint Body. '[Since 2010] there is not sufficient time for our projects,' explained one participant, 'they are not seeing it as a part of work like before; it doesn't allow the time that one requires *[no tenemos libertad; no hay tiempo suficiente para nuestro proyecto... Estamos estancados... No están viendo como parte del trabajo como antes; no le da el tiempo que uno requiere].'*

Male and female participants from Farm A who had not participated in the Joint Body or Workers' Committee described limitations on empowerment due to a lack of receptiveness on behalf of certain supervisors and administrators. That is, they had developed their capacities to express themselves, but reported that their supervisors 'still make us shut up *[todavía nos hacen callar].'*

In effect, workers pointed out that empowerment on plantations is relational. Their own development of capacities, communication skills, and self-confidence is necessary but not sufficient for empowerment, which is also dependent on the extent to which administrators and supervisors are receptive. This is especially the case where workers have not developed sufficient trust with and access to Fairtrade representatives, either through the Workers' Committees or directly to the liaison officer.<sup>33</sup>

❖ *Addressing increasing workloads and pressure from administrators and supervisors*

Workers on Farm B who had not been associated with either the Joint Body or the Workers' Committee confirmed that they often had problems with particular supervisors who had joined the plantation from other plantations and had brought with them less worker-friendly attitudes, or mechanisms to make them work more quickly (such as comparing workers).

Men from Farm A who had not participated in the Joint Body or Workers' Committee described limits on empowerment processes by pointing out that minimum wage increases over the last six years and in particular over the last two years had been accompanied by reductions in personnel, increasing expectations (i.e. quotas), and increasing pressure on workers. These participants referred to discourses employed to pressure the workers based on the workers' lack of knowledge about reasonable obligations. 'Now they tell you that you have to manage so many thousands [of flowers]; you feel bad [for not finishing]; they compare us a lot – 'he finished, and you? Why didn't you?' *[Ahora te dicen que tienes que manejar tantos miles [de flores]; uno mismo se siente mal [por no cumplir]; nos comparan mucho – 'él cumplió, ¿y usted, por qué no?].'*

Another participant noted that 'they tell us that on other farms they cut 300 [stems] an hour and you have 100; right away they take out their calculations, numbers; they don't let us do extra hours – denied – to be able to do the work... They compare us with [Farm D] and you just don't know [what's true] *[nos dicen que en otras fincas cortan 300 la hora y usted tiene 100; de una sacan los cálculos, los números; no nos dejan hacer horas extras – negadas – para poder hacer el trabajo... Nos comparan con [plantación D] y uno no sabe [la verdad].'*

A third participant stated that they had also been pressured under the premise that the plantation was at risk: 'They tell us that they're doing poorly *[nos dicen que les va mal]*' and another referred to the use of the Fairtrade Premium as a mechanism to increase pressure on workers: 'If you don't want to be here, then go home'... They always throw the benefits in our faces *[Si no quieren estar aquí, que se vayan a la casa, siempre nos dicen... Los beneficios siempre nos sacan en la cara].'*

<sup>33</sup> During a general impact evaluation of Fairtrade in the Ecuadorian flower sector in 2011, a member of the Workers' Committee on Farm B expressed this limitation in the following terms: '[members of management] take us seriously, depending on the situation.'

It is of great concern that Fairtrade certification, with its corresponding conditions and benefits, would be used to pressure workers or make them respond to increasing demands. Many worker participants on Farm B and Farm A requested a greater Fairtrade presence to mediate relations with non-receptive or even abusive supervisors and administrators, in addition to requesting more training for workers and administrators alike on rights and obligations. This situation also might be alleviated by promoting 1) transparency in terms of plantation finances and 2) exchanges between workers on different plantations. Again, increasing worker willingness to express ideas and concerns has been a necessary step in worker-identified notions of empowerment, but is not sufficient in-and-of itself to ensure empowerment without solid mechanisms (e.g. greater Fairtrade presence and backing; strengthened Workers' Committees; communication between workers on different plantations; direct communication channels from workers to Fairtrade, etc.) to defend and support those workers who do express their ideas and concerns.

❖ *Providing continued training to workers on rights and obligations and using methods and techniques that are efficient*

- a) Workers associated with the Joint Body of Farm B credited the general manager to a large extent for their successes: 'without him, we wouldn't be who we are... all of this has been thanks to [the general manager] [*sin él no seríamos quienes somos ... todo eso ha sido gracias a [el gerente]]*.' Along similar lines, one worker on the Workers' Committee asked, 'if the certification falls through, will the committee fall through also? [*¿si cae la certificación, cae el comité también?*]' The facilitator explained that workers have a right to organize and stated that 'the decision to continue existing is... [*la decisión de seguir de existir es...*]'— 'the owner's [*del dueño*],' interjected one worker. 'No,' responded the facilitator, 'it is the workers' [*No, es de los trabajadores*].' This point was subtle, but magnified the need for continued training for workers on rights and obligations to ensure that they question deeply-entrenched, paternalistic forms of establishing vertical relationships in the region and on the plantations. Otherwise, for example, it is easy for Fairtrade standards to be construed as 'benefits' or even 'favours' that workers must repay one way or another (e.g. by meeting increased quotas).
- b) Female participants on the Workers' Committee at Farm B observed that they would like more support from Fairtrade and noted that they preferred interactive methods in their trainings: 'drawings, presentations – we become better integrated [*dibujos, exposiciones, nos integramos más*].' The male participants reiterated this point: '[In the past] we had training sessions with papers, materials... [*Tuvimos capacitaciones con papeles, materiales...*],' whereas, in the words of another participant, '[Now] I don't understand the trainings well [*Yo no entiendo bien las capacitaciones*].' This group also claimed to be confused about some key standards. They asked the facilitator whether or not representatives from Human Resources could be present in assembly meetings and asserted that they had had difficulties obtaining clear answers from Fairtrade about this issue.

Workers still largely conceive of power relations on the plantations as being vertical and of certification as depending on the goodwill of management. One strategy for addressing this reality is to re-invest in training on rights and obligations and with proven, participatory methods, so that workers discuss and appropriate the right to be organized. Workers might be more willing to appropriate this right as Workers' Committees are strengthened through greater Fairtrade presence (i.e. backing) and a much stronger push towards horizontal organizing between plantations.

❖ *Ensuring confidentiality in the workers' assemblies*

On Farm A, the workers reported that they worried that the Human Resources department would find out if they complained in the assembly and that they would, in turn, be brought into the management and confronted. '[In the assembly] there is always an informer; if you criticize, they take you to the office... [the director of Human Resources] knows everything that is said [*En la asamblea siempre hay un informador; si uno habla mal, le lleva a la oficina...* [*el director de Recursos Humanos*] sabe todo lo que se dice].'

Another participant added that once inside Human Resources, 'they don't listen to us; sometimes they hurt

our self-esteem; they think that they are above everyone else [*no escuchan a nosotros; a veces bajan la auto-estima; piensan que están por encima de los demás*].’

Workers on Farm B reported that in the assemblies sometimes ‘people swallow their words [*La gente se traga*].’ They explained that concerns expressed in the assembly likewise eventually made their way to the Human Resources office and that administrators there generally called upon the workers who complained, which was enough to inhibit them from expressing their concerns: ‘Ultimately, you come out on the losing end [*A lo largo, uno sale perdiendo*].’ Another worker added that in the assembly, ‘you are still afraid to speak [*uno tiene miedo de hablar todavía*].’

On two plantations workers perceived a lack of confidentiality in the worker assemblies, indicating that Workers’ Committees have not been able to address this particular issue and that there has been an underlying atmosphere of mistrust between workers and Human Resources. Ideally, Liaison Officers should be present often enough to mediate such situations and ensure mutual trust and respect between workers and management. Accessible, anonymous mechanisms should also be in place for workers to complain directly to Fairtrade as an option of last resort.

❖ *Opening up lines of communication between Fairtrade representatives and workers*

Worker participants in all of the groups at Farm C made a specific request to open up lines of communication between Fairtrade representatives and workers. The workers and management alike had had many questions and concerns about Fairtrade and its current strategy in the United States, for example, as well as questions about how they could spend Fairtrade Premium funds (i.e. with respect to urbanizing lands they had purchased). They did not know how to have such questions answered quickly and clearly. Workers on Farm A and B also had had questions and concerns about Fairtrade and Fairtrade standards for which they did not know how to readily obtain clear and reliable answers. Again, workers on Farm B did not know whether or not representatives of Human Resources were allowed to be present at assemblies. They reported that the Liaison Officer had affirmed that representatives of Human Resources were allowed to be present, while the workers themselves believed that they were not, according to standards.

Again, workers on each of the plantations called for greater access to Fairtrade representatives, suggesting the need to establish clear, accessible, and anonymous channels for workers or at least for Workers’ Committees to contact not only Liaison Officers, but also other members of Fairtrade, where particular issues cannot be resolved by Liaison Officers.

❖ *Increasing Fairtrade Premium funds:*

Fairtrade Premium growth was a concern among nearly all of the worker participants. A member of the Workers’ Committee at Farm C made the following petition: ‘We ask Fairtrade that they help us to sell more flowers, to have more Fairtrade Premium [funds]... because it is difficult to pay rent from month to month... [*Pedimos a FI que nos ayuden a vender mas flores, para tener mas premio... porque es difícil pagar de mes a mes el arriendo*].’ The workers on Farm C were awaiting funds to be able to build housing on lands they had purchased as a group.

Workers were hoping to obtain increasing Fairtrade Premium funds in order to develop projects they had planned. Given that most of the Fairtrade flowers that these plantations sold were to buyers in the United States (e.g. Whole Foods), it was clear among the workers that it was important to focus energies on securing markets in the United States. However, such dependence on one market may be risky, as reflected by the expiration of the trade preference system ATPDEA on July 31, 2013. Ecuadorian roses have enjoyed duty-free access to the US since 1992, with only a brief period in 2010 in which the preference had lapsed. Colombia and Peru left the ATPDEA signing free trade agreements (whereas Bolivia was removed for not complying with U.S. anti-narcotics efforts). Unless the Ecuadorian government subsidizes rose exports to the US (which it has vowed to do for a period of two years) or a special trade

preference agreement specifically for the Ecuadorian flower sector can be signed with the US (some producers maintain that hope), competition with Colombia for US markets will likely increase significantly in 2014.

❖ *Promoting horizontal organizing between Workers' Committees and between Joint Bodies:*

Workers on each of the plantations who had participated in Workers' Committees expressed their desire to learn more from Workers' Committees in other plantations. Workers from Farm B observed that their previous encounters with workers from other plantations had been limited, primarily due to time constraints: 'I would have liked to get ideas [at the last meeting],' said one participant, 'but there was no time [*Me habría gustado sacar ideas, pero no hubo tiempo*].' Workers from the Joint Body on Farm B repeated the same complaint. One worker stated that he was particularly curious about projects that workers were carrying out in other industries: 'They were doing very good things, but there was no time to talk with them [*Tenían cosas muy buenas, pero no hubo tiempo para dialogar con ellos*].'

Although encounters between Workers' Committees and between Joint Bodies from distinct plantations have been limited, workers have identified them as important for worker empowerment insofar as workers are able to share strategies for resolving problems and ideas for projects. The consolidation of a platform of Workers' Committees may also be a strategic solution to the problem of broad worker representation towards managements, the state, and/or Fairtrade. Successful horizontal organizing will require ensuring worker access to sufficient time and resources to plan and direct their own national and/or regional meetings among Workers' Committees and among Joint Bodies from distinct plantations and sectors.

#### **4.1.4 Empowerment goals: Expanding choice in terms of economic strategies**

Much as workers shared many views on past empowerment processes and challenges, workers also shared common views on empowerment goals as they looked towards the future. According to many participants, ideal empowerment would require the following **conditions**, each of which was generally understood as necessary, but not sufficient for attaining 'full empowerment':

- Job stability;
- Continued skills development, based on participatory training, especially for Joint Bodies and Workers' Committees;
- Continued training on Fairtrade standards for supervisors and administrators;
- A stronger and better-funded Joint Body;
- Stronger Workers' Committees that enjoy the input and support of other Workers' Committees through forms of horizontal organizing between plantations and sectors;
- Higher salaries.

Again, these conditions were considered possible enabling conditions for achieving 'full empowerment,' but did not constitute 'full empowerment' itself. According to the vast majority of participants, the principal empowerment goal or 'full empowerment' was conceived of as **economic autonomy or independence through independent, smallholder farming or small businesses**.

Many participants equated this goal to self-realization or to 'being something in life [*ser algo en la vida*].' Participants from Farm A referred to economic independence alternatively in terms of 'depending on one's own time [*depender del tiempo de uno*]; 'depending on our own autonomy [*depender de nuestra autonomia*]; 'depending on our own labour [*depender de nuestro propio trabajo*]; and 'gaining independence [*independizarse*].'

Participants at Farm A also referred to the value of establishing productive autonomy in terms of being able to recover family and community ties and participate in community organizations. In other words, they referred to the goal of achieving greater integration into community structures (family or organizations). One

participant described this goal in the following terms: ‘We could associate with people from our area... currently, if I ask for permission [to participate in the community], I lose out here; if I don’t go, I lose out there [*podemos estar asociados con gente de nuestro sector... ahora si pido permiso aqui, pierdo; si no voy, pierdo allá*].’ Another participant described this goal as the desire ‘to be able to collaborate in the community; dedicate oneself to the kids [*poder colaborar en la comuna, dedicarse a los hijos*].’

Participants cited clear obstacles to attaining economic autonomy. Whereas many affirmed that they possessed sufficient productive knowledge and maintained small-scale production in such activities as vegetable, cow, chicken, pig, and/or guinea pig farming;<sup>34</sup> nonetheless, they lacked such resources as irrigation water, capital, and markets to become fully independent. Workers who did not have or did not wish to have independent agricultural production referred to the desire to access credit to start small businesses. One worker at Farm A described the goals of workers with urban roots in terms of ‘setting up an internet café; having a taxi [*ponerse un internet, tener un taxi*].’

**Participants often projected this goal of achieving autonomy onto their children**, which was why they valued **scholarships** so highly not only for themselves, but also (if not principally) for their children, so that they might enjoy broader economic options and greater degrees of independence.

It is important to note that participants did not necessarily see the empowerment goal of economic independence as being a statement of dissatisfaction with their employment in the plantation. Indeed, having a secure job on the plantations was empowering in other respects or even within a single empowerment process that led towards autonomy. In other words, the aspiration to economic independence expresses a desire for freedom and autonomy that many workers aspire to and which does not necessarily contradict an appreciation of the positive benefits of having a secure job with decent working conditions.

**Table 6:** Workers discuss their empowerment goals

Future empowerment processes	Relevant Quotations	Group
Economic autonomy	<p>Facilitator: ‘I want each of you to imagine him or herself completely empowered in five years—that is, with the capacities to do what you want to do in life. What would you do? [<i>Quiero que cada uno de ustedes se imagine completamente empoderado o empoderada de aquí a cinco años, es decir con capacidades de hacer lo que quiere hacer en la vida. ¿Qué estaría haciendo?</i>].’</p> <ol style="list-style-type: none"> <li>1) ‘My goal is to continue studying, finish my house, and start a business... and buy myself a car [<i>Mi meta es seguir estudiando, terminar bien mi casa y ponerme un negocio, y comprarme un carro</i>].’</li> <li>2) ‘I already have my house and my goal is to start a business [<i>Ya tengo mi casa y mi meta es poner un negocio</i>].’</li> <li>3) ‘Me too. I would like to start a business [<i>Yo también. Me gustaría poner un negocio</i>].’</li> <li>4) ‘Me too [<i>Yo también</i>].’</li> <li>5) ‘If we were to leave here, it would be to start a business [<i>Si fuéramos de aquí, sería para ponernos un negocio</i>].’</li> <li>6) ‘If I were to go to another farm, it would only be to have a higher position [<i>Si yo fuera a otra finca, solo sería para tener un puesto mas alto</i>].’</li> <li>7) ‘To have a business of my own [<i>Tener un negocio propio</i>].’</li> <li>8) ‘Finish my house well and start a business, a small shop [<i>Acabar bien mi casa y ponerme un negocio, una tiendita</i>].’</li> </ol>	Farm B (non-WC/JB participants)

<sup>34</sup> ‘For us,’ observed a worker participant from Farm A, ‘sometimes the weekends are when we work the most [*para nosotros a veces los fines de semana es cuando mas trabajamos*].’

	<p>9) 'Start a business some day [<i>Poner un negocio algún día</i>].'</p> <p>10) 'I am from the Amazon... I am building my house. Before, I didn't have anything, not even work... In five years, [I would like to] finish my house, put my kids in school and me too [<i>Soy del oriente... Estoy haciendo mi casa. Antes no tenía nada, ni trabajo... En cinco años, [quisiera] terminar mi casa, ponerles a mis hijos a estudiar y yo también</i>].'</p>	
	<p>'With the Fairtrade Premium, I have purchased a small bus... a source of extra work to help my family [<i>Con el premio he comprado una busetita... una fuente de trabajo extra para ayudar a mi familia</i>].'</p> <p>'I have my personal projects outside of here. Fairtrade helped a lot. I have a rice company [<i>Yo tengo mis proyectos personales fuera de aquí. Comercio justo ayudó muchísimo. Tengo una empresa de arroz</i>].'</p>	Farm C (JB)
	<p>'We could dedicate ourselves to keeping animals; we could dedicate ourselves to agriculture [<i>Podemos dedicarnos a la crianza de animales; podemos dedicarnos a la agricultura</i>].'</p>	Farm C (WC)
	<p>'What all of us workers are hoping for is to have our own houses [<i>Lo que estamos anhelando todos los trabajadores es tener las casas propias</i>].'</p> <p>'I would love for the loans to increase... for example, that they should go up to five thousand; with that I could start a small business, a mini-market [<i>Me encantaría que el préstamo suba... por ejemplo, que suba 5 mil, con eso podría poner una microempresa, un micro-mercado</i>].'</p> <p>'The majority take out loans for housing; from there, to have some cows, a chicken pen... [<i>La mayoría sacan prestamos para viviendas; de ahí tener unas vacas, un criadero de pollos</i>].'</p>	Farm C (non-WC/JB participants)
Political participation	<p>'Thanks to the trainings, we can unite and get through to [our families] – through what? – communication [<i>gracias a las capacitaciones, podemos unirnos y llegar a [nuestras familias] -- ¿a través de que?-- la comunicación</i>]....In the community, we can involve ourselves more... now we have that communication ability [<i>en la comunidad podemos desenvolvernos más... ya tenemos esa facilidad en la comunicación</i>].... '[However] we have not experienced change in the political [arena] – we don't have that contact to the outside [<i>sin embargo</i>] nosotros no hemos tenido cambio en la política' – no tenemos ese contacto hacia afuera].'</p>	Farm C (WC)
Economic stability	<p>'My dream is to continue working here for as long as I can [<i>Mi sueño es seguir trabajando aquí hasta que pueda</i>].'</p>	Farm C (non-WC/JB participants)

#### 4.2.1 Quantitative analysis

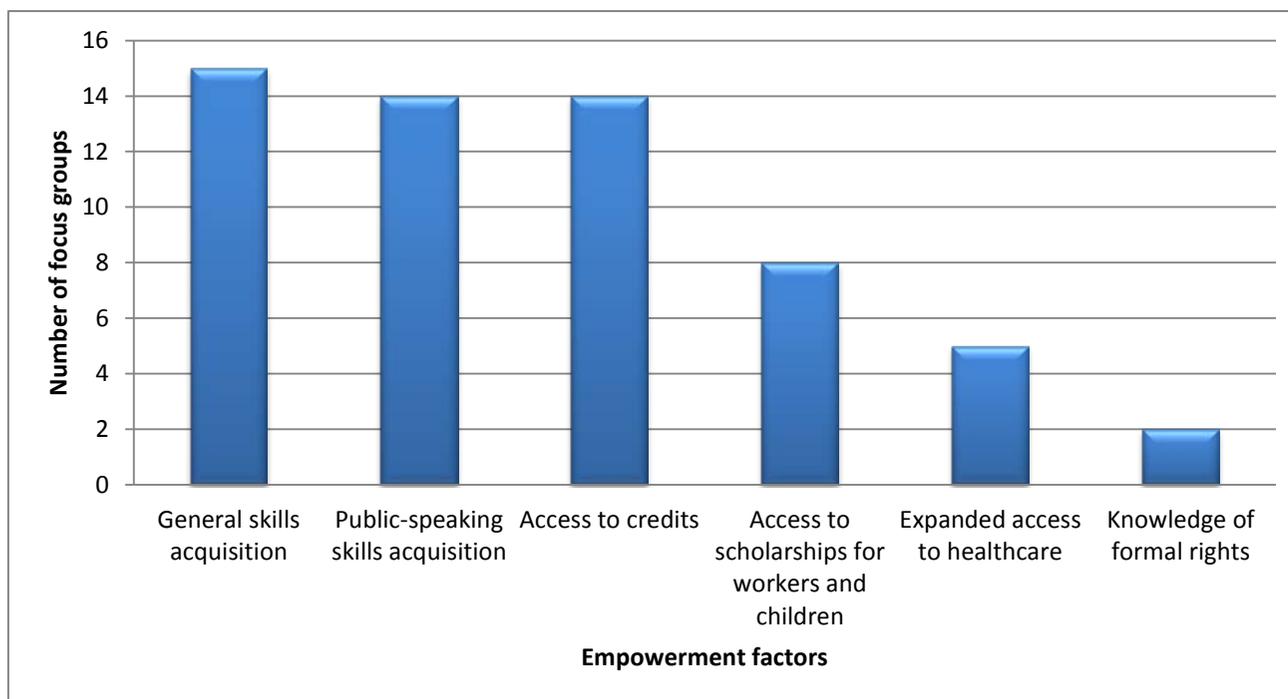
*In the next section we categorize and quantify the worker discourses on empowerment. For any given discourse to have qualified as a collective, peer-validated group perception of empowerment factors, limitations, or indicators, meant that that perception was stated during the course of focus group*

discussions, validated by at least one other group member, and not contradicted by any.<sup>35</sup> The process of categorizing discourses, however, did require degrees of reduction and simplification. In addition, there has been no attempt to gain worker validation for this exercise due to limited access to the workers. Nonetheless, categorization is a useful strategy for visualizing and comparing research results and for simplifying them to inform possible indicators.

#### 4.2.2 Quantitative comparison of empowerment factors

Figure 1 shows the elements in empowerment processes that the participant groups emphasized or singled out as having been *key factors* within past processes. The chart indicates the top six most commonly highlighted key factors, each of which was emphasized by two or more focus groups.

**Figure 1:** Key factors to past worker empowerment on Fairtrade-certified flower plantations



As this chart reflects, the development of skills, including accounting, administrative, computer, and project development skills, and especially public-speaking skills, was the most commonly cited *key source* of personal empowerment. Workers felt that the development of skills had positively affected their sense of control within relationships both on and off of the plantation. This does not mean that skills development had generated or was perceived as generating ‘the greatest amount’ of empowerment, but rather skills development was most commonly singled-out as a key process that has permitted workers to have greater confidence and perceive increasing control in their relationships.<sup>36</sup>

<sup>35</sup> This strategy of peer-validation resulted from the study’s aim to be both informative for the researchers and for the workers, as they worked together to construct, articulate, and validate observations and projections of empowerment processes.

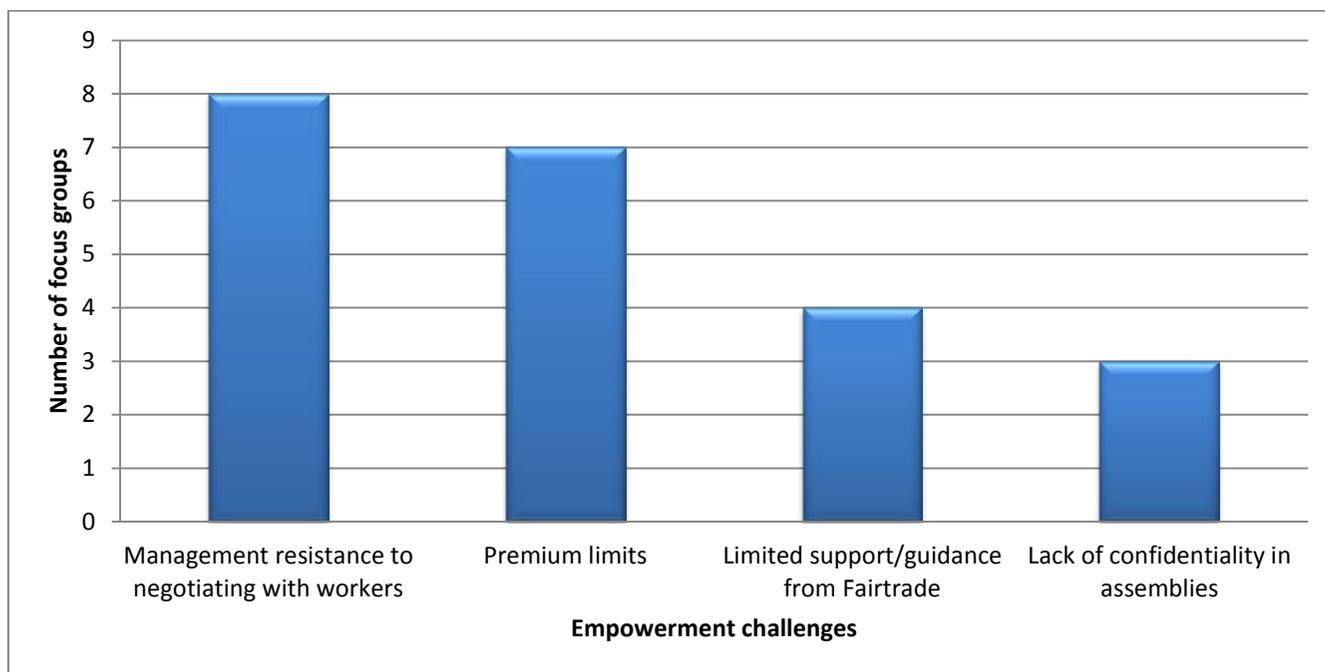
<sup>36</sup> Solely based on this quantitative assessment, it would be difficult to distinguish between skills that have developed due to gradual socialization processes on and off of the plantations and those processes that have been promoted by Fairtrade standards and investments, but as the qualitative analysis demonstrates, workers tended to praise Fairtrade for having helped them to develop self-confidence through skills-building and a personal voice through the creation of spaces that encourage public-speaking and the expression of personal and collective ideas and concerns.

Access to credit was also very commonly cited as a *key* factor that has promoted empowerment. Affordable credit has helped workers to develop independent sources of income and food goods and particularly to limit dependencies on landlords for housing. Similarly, expanded access to scholarships and healthcare has also represented savings for the workers and promoted greater control over family living conditions.

#### 4.2.3 Quantitative comparison of key empowerment challenges

Figure 2 demonstrates the four challenges to empowerment that were most commonly reported by the participating workers. The chart does not reflect a survey-based measurement, but rather a tally of discourses that were emphasized by participating focus groups in partially-structured discussions. Each of these categories was emphasized qualitatively by two or more focus groups.

**Figure 2:** Key challenges to empowerment on Fairtrade-certified flower plantations



There was somewhat less agreement with respect to the key elements that have limited empowerment than there were in terms of key elements that have promoted it.

It is important to note that certain administrators and supervisors were identified as having been the principal roadblocks to worker empowerment at some point in recent years by nearly half of the participating groups. Workers often cited examples of new administrators and supervisors entering a Fairtrade-certified plantation without sufficient training and comprehension of Fairtrade principles and, consequently, giving priority to production quotas over Fairtrade requirements and principles or workers' rights.

The second most commonly-cited *key* limitation was the Fairtrade Premium amount, reflecting both an insufficiency of Fairtrade Premium funds and, at the same time, the recognition among workers of the potential that Fairtrade Premium funds hold as source of empowerment.

A lack of support and guidance from Fairtrade was emphasized in four cases, as groups called for a greater Fairtrade presence and accompaniment on the plantation and for Fairtrade-sponsored exchanges with other farms. In addition, workers sought better, clearer lines of communication between workers and Fairtrade representatives in Ecuador and Europe.

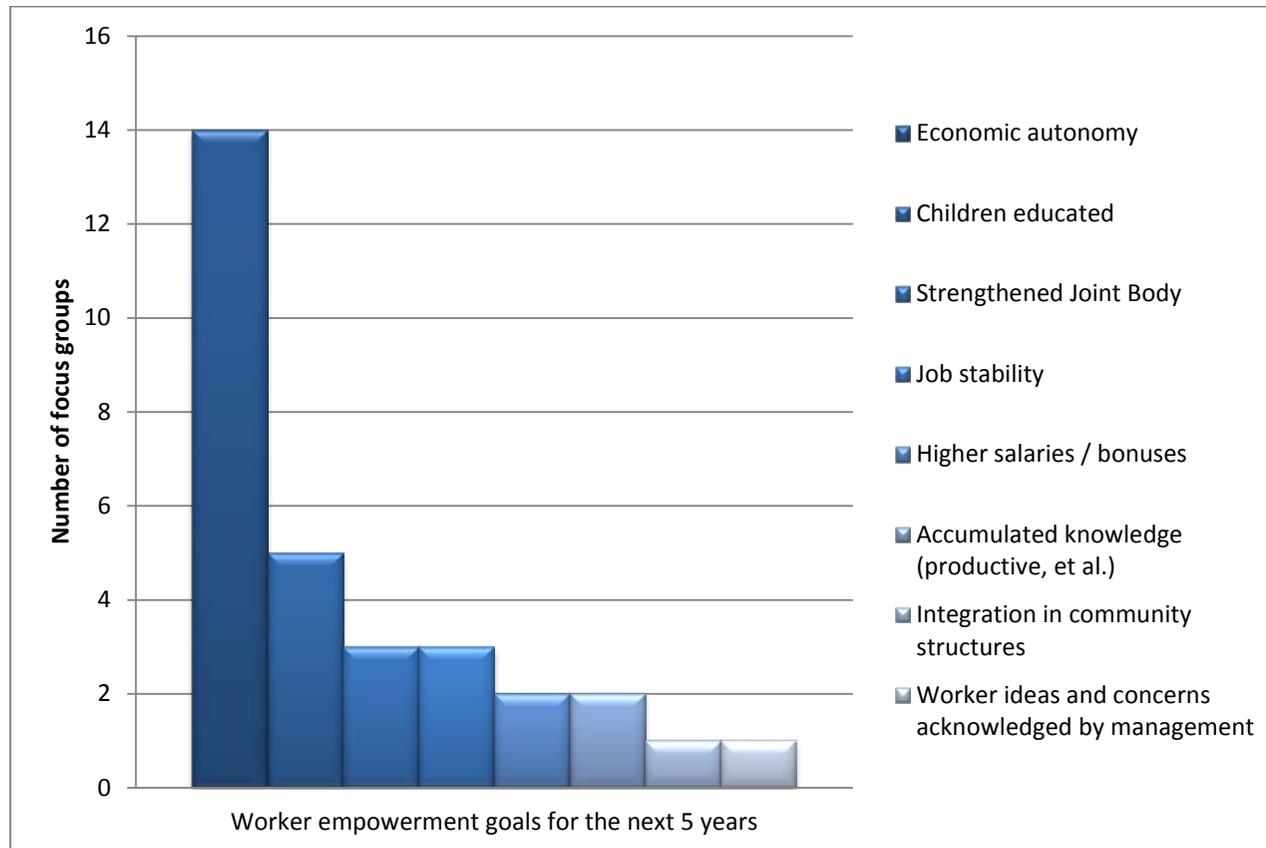
#### 4.2.4 Quantitative comparison of empowerment goals

Participants in 16 of the 18 focus groups were asked to envision themselves as being fully-empowered individuals in five years' time (the remaining two groups were not asked due to time constraints on those workshops). The vast majority of those groups (14 of 16) expressed the desire to recover or develop their own autonomous productive resources in order to be able to leave the flower sector.

The two groups that did not identify with this desire to become economically independent through their own productive enterprises stressed the desire to make the Joint Body stronger.

Whereas the importance of gaining economic autonomy for many of the participants was documented at length in the qualitative analysis, that importance is communicated visually in Figure 3.

**Figure 3:** Worker empowerment goals on Fairtrade-certified flower plantations



#### 4.3.1 Empowerment matrix

Table 7 communicates worker-defined empowerment results; specific and general objectives; and indicators that were collectively perceived or projected by at least three of the eighteen worker focus groups that participated in the study (with one exception: I10<sup>37</sup>). This chart also states in the three columns to the far right *which* of the participating groups identified each empowerment indicator, permitting a separate analysis of which indicators were most commonly cited and by whom. In order to qualify as a 'collective'

<sup>37</sup> The final indicator, I10, was only highlighted by one of the 18 groups (rather than by three), but it has been included based on the importance of economic independence as a worker goal.

perception, any given discourse was proposed directly or indirectly during discussions and was validated by at least one other group member and not contradicted by any.

An analysis of Table 7 reveals a sub-division of indicators according to the number of focus groups that identified each. Sub-division 1 includes those indicators that were identified by the largest number of focus groups. Indicators 1 and 2 were identified by 17 of 18 groups and indicator 6 was identified by 16 of 18 groups. Indicators 7 and 8 were also recognized as important reflections of empowerment by a majority of focus groups (13 and 14 groups, respectively). Sub-division 2 includes the indicators which were identified by fewer focus groups, mostly between three and five groups.<sup>38</sup>

#### **INDICATORS SUB-DIVISION 1:**

- I1. Percentage of workers who report freely expressing ideas and concerns to administrators and supervisors.
- I2. Percentage of workers who report that administrators and supervisors adequately listen to and respond to worker ideas and concerns.
- I6. Percentage of workers who have developed sources of regular, independent income and/or savings from Fairtrade Premium investments.
- I7. Percentage of workers and worker children who have wished to access scholarships that have been able to do so.
- I8. Percentage of Workers' Committee negotiations that produce a signed agreement with the management.

Indicator 1 primarily captures the value that workers attributed to developing confidence for expressing ideas and concerns in the workplace. Indicator 2 is related to that indicator, reflecting the need for administrators/supervisors to listen to, consider, and respond to workers' ideas and concerns. Indicator 6 reflects the success of the Fairtrade Premium as a source or potential source of empowerment insofar as it has helped workers to develop independent sources of income (e.g. through small businesses or independent agricultural production) and savings (e.g. through helping workers become home-owners, cover education expenses, or save on food by capitalizing their personal agricultural production). Indicator 7 reflects the value that workers placed on education as a strategy for ensuring that their children have other economic opportunities beyond the flower sector. Indicator 8 captures both the benefits and the continuing need that workers identified in allowing the Workers' Committees the time and opportunities (e.g. conferences with other organizations) to work on issues important to the workers.

#### **INDICATORS SUB-DIVISION 2:**

- I3. Percentage of workers who are able to list their basic workers' rights.
- I4. Percentage of female workers who report having achieved greater influence in decision-making spaces on and off the plantation.
- I5. Percentage of workers who report receiving a wage that covers their basic needs.
- I9. Percentage of workers who participate in community-based organizations.
- I10. Percentage of workers who participate in organizations that represent collective interests to decision-makers in the public sector.

In both sub-divisions, many of the indicators could be given a range of interpretations. In order to be implemented, some of the indicators would certainly require greater precision (e.g. for Indicator 3, Fairtrade would need to establish *which* workers' rights constitute basic rights that workers ought to know to be empowered).

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<sup>38</sup> By comparison, it may be inferred that the indicators in the first sub-division were more commonly identified because they are more integrally related to everyday interactions and immediate necessities (e.g. relations with supervisors; expenditure of household resources; etc.). The indicators that appear in the second sub-division can be characterized as abstract or less closely linked to everyday worker reflections, activities, and realms of possibility. This inference, however, requires further exploration and worker validation.

Table 7: Matrix on worker empowerment in Ecuadorian Fairtrade-certified flower plantations

GENERAL OBJECTIVE: Expand freedom of choice and action among workers on Fairtrade-certified Flower plantations in Ecuador								
Specific objectives	Results	Indicators	Identification of groups that cited each indicator based on organization, plantation, and gender.					
			Joint Bodies		Workers' Committees		Other workers	
			FM		FM		FM	
O1. Strengthen individual voice and create horizontal relationships through skills development and rights awareness	R1. Workers express ideas and concerns to supervisors and administrators without fear of retribution and with the right to duly justified resolutions.	I1. Percentage of workers who report freely expressing their ideas and concerns to administrators and supervisors.	A B C	A B C	A B C	A B C	A C	A B C
		I2. Percentage of workers who report that administrators and supervisors adequately listen to and respond to worker ideas and concerns.	A B C	A B C	A B C	A B C	A C	A B C
	R2. Workers know their rights.	I3. Percentage of workers who are able to list their basic workers' rights.	A			A	A	A
	R3. Women achieve greater influence in the workplace, at home, and in the community.	I4. Percentage of female workers who report having achieved greater influence in decision-making spaces on and off the plantation.	A B		C			
O2. Expand individual choice in terms of economic strategies through direct access to resources	R4. Workers attain economic security.	I5. Percentage of workers who report receiving a wage that covers their basic needs.				A C		A
	R5. Workers increase their independent incomes and/or savings.	I6. Percentage of workers who have developed sources of regular, independent income and/or savings from Fairtrade Premium investments.	A B C	A B C	A C	A C	A B C	A B C
	R6. Workers and their children expand options for economic strategies.	I7. Percentage of workers and worker children wishing to access scholarships that have been able to do so.	A B C	A B	A	A	A B C	A B C
O3. Increase collective influence in spaces for policy formation both on	R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation.	I8. Percentage of Workers' Committee negotiations that produce a signed agreement with the management.	B C	A C	A B C	A B C	A C	A C
	R8. Workers participate in community-based organizations.	I9. Percentage of workers who participate in community-based organizations.	C	A	C	B C		

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and off of the plantations	R9. Workers have their collective interests represented in decision-making spaces outside of the plantations.	I10. Percentage of workers who participate in organizations that represent collective interests to decision-makers in the public sector.			C			
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## 5. WORKER AGREEMENTS AND FAIRTRADE PREMIUM INVESTMENTS (2007-2011)

Though this study is fundamentally a review of workers' ideas and perceptions, we also sought to compare and triangulate these views on empowerment with data provided by the plantations on the types of worker agreements and Fairtrade Premium investments that have been implemented in recent years. For this analysis, we obtained data on Workers' Committee agreements from Farms A and B and on Fairtrade Premium investments for Farms A, B, and C for the period 2007-2011. The level of detail provided varied between plantations and it was generally quite limited insofar as no plantation could provide information on the **impacts** of negotiations or Fairtrade Premium investments. Nevertheless we feel it brings useful additional information to the analysis.

### 5.1 Workers' Committee agreements on Farms A and B (2007-2011)

On Farm A, 14 agreements were reached between the workers' committee and the farm management in the period from 2007-2011. Of these, three agreements related to hours and overtime and two agreements were reached on each of the following issues: transportation,<sup>39</sup> vacations, food, and time allotted for workers' meetings.<sup>40</sup> The other three agreements fixed a salary increase of \$5 above the current minimum wage; defined a performance bonus; and addressed the issuing of uniforms.

The Workers' Committee and the management on Farm B signed 36 agreements from 2007 to 2011. Ten agreements dealt with worker requests in relation to uniforms – these included requests relating to uniform and footwear styles and relating to the frequency of issuing of uniforms. Seven agreements addressed the provision of various health and hygiene materials on the farm (including a first aid kit and toilet paper). Five agreements concerned worker transportation issues (routes and times).

**Table 8:** Comparison of Workers' Committee signed agreements on Farms A and B (2007-2011)

Comparison of negotiations on Farms A and B		Related empowerment results
Farm A	Farm B	
2007 <ul style="list-style-type: none"> <li>• Transport (extra trip for post-harvest workers)</li> <li>• Overtime for guards</li> <li>• Bonus for performance</li> <li>• Time for Workers' Committee meetings</li> <li>• Transport for children in nursery</li> </ul>	2007 <ul style="list-style-type: none"> <li>• Best worker annual award</li> <li>• Clothing</li> <li>• Clothing</li> <li>• Clothing</li> <li>• Music</li> <li>• Overtime must have prior authorization</li> <li>• Transportation route</li> <li>• Faucet for washing boots</li> <li>• Transportation</li> </ul>	R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation.  R4. Workers attain economic security.  R7. Worker organizations
2008 <ul style="list-style-type: none"> <li>• Clothing</li> <li>• Hours</li> <li>• Food improvement</li> </ul>	2008 <ul style="list-style-type: none"> <li>• Overtime hours published for workers to control</li> <li>• Talcum powder for those who need it</li> </ul>	

<sup>39</sup> Free transportation for workers is a Fairtrade standard that plantations must comply with according to criteria 1.5.2.1.

<sup>40</sup> Time allotted to workers' organizations is a Fairtrade standard that plantations must comply with according to criteria 1.1.16.

*Assessing the Impacts of Fairtrade on Worker-Defined Forms of Empowerment on Ecuadorian Flower Plantations*

<ul style="list-style-type: none"> <li>• Vacation days</li> </ul>	<ul style="list-style-type: none"> <li>• Clothing</li> <li>• Clothing</li> <li>• Gatorade for fumigation team</li> <li>• Bigger breakfast for fumigation team</li> <li>• Christmas bonus</li> </ul>	successfully negotiate worker ideas and concerns on the plantation.
<p>2009</p> <ul style="list-style-type: none"> <li>• Overtime</li> <li>• Vacation</li> </ul>	<p>2009</p> <ul style="list-style-type: none"> <li>• Up to 3 days off for family crisis</li> <li>• Good-quality locks purchased for the workers, but discounted from their salaries</li> <li>• <i>Unclear</i><sup>41</sup></li> <li>• Clothing</li> <li>• Agreement that supervisors will support Workers' Committee members to attend meetings</li> <li>• Birthdays will be celebrated 15 minutes before the end of the day and a cake will be offered</li> <li>• Deaths in the family will be recognized with 3 bunches of roses</li> <li>• Agreement to fulfil 40 hours of work per week in accordance with labour law</li> </ul>	R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation.
<p>2010</p> <ul style="list-style-type: none"> <li>• None</li> </ul>	<p>2010</p> <ul style="list-style-type: none"> <li>• Clothing</li> <li>• Purchase of a first aid kit</li> <li>• Transport communications</li> <li>• Clothing</li> <li>• Clothing</li> <li>• Transportation route</li> </ul>	R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation.
<p>2011</p> <ul style="list-style-type: none"> <li>• Food (snacks)</li> <li>• Time for meetings (general assemblies)</li> <li>• Salary increase (established at 5 USD more than national minimum wage)</li> </ul>	<p>2011</p> <ul style="list-style-type: none"> <li>• Clothing</li> <li>• Toiletries</li> <li>• Workers free to take children to school on Mondays with hours recovered on Sundays (sanctions include loss of bonus and 2 days' salary for not recovering hours on Sundays)</li> <li>• Farm should make financial information available to workers</li> <li>• Transport route</li> <li>• Juice for irrigation team on sunny days</li> </ul>	<p>R4. Workers attain economic security.</p> <p>R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation.</p>

<sup>41</sup> Agreement over the return of 'the pre-cooperative in independent checks from severance'.

Figure 4: Farm A: Workers' Committee negotiated agreements (2007-2011)

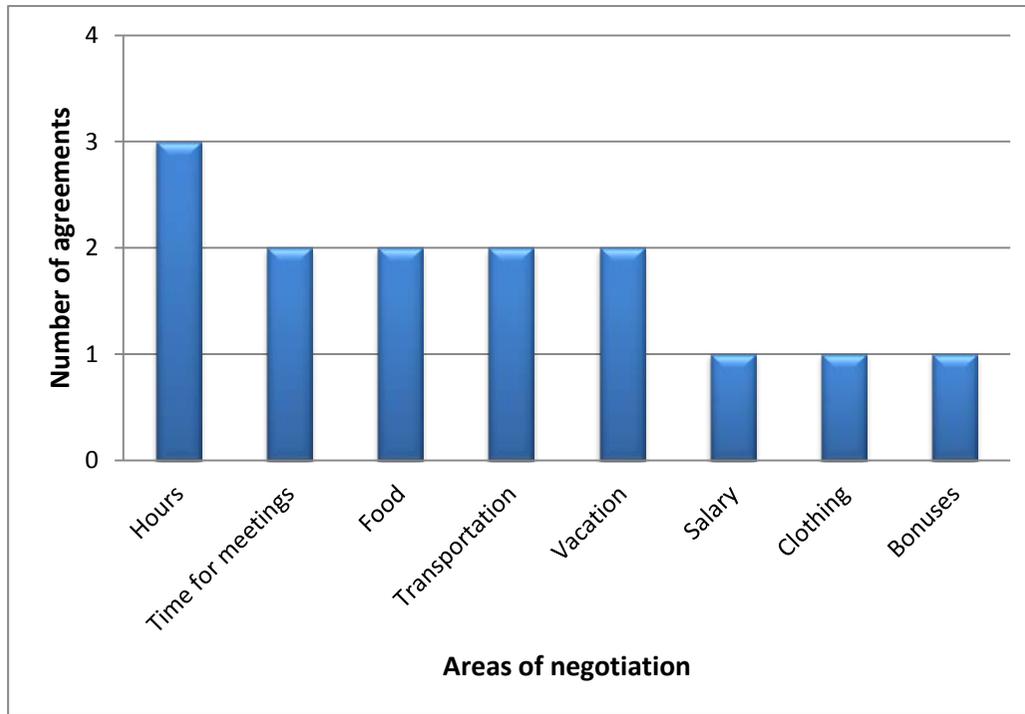
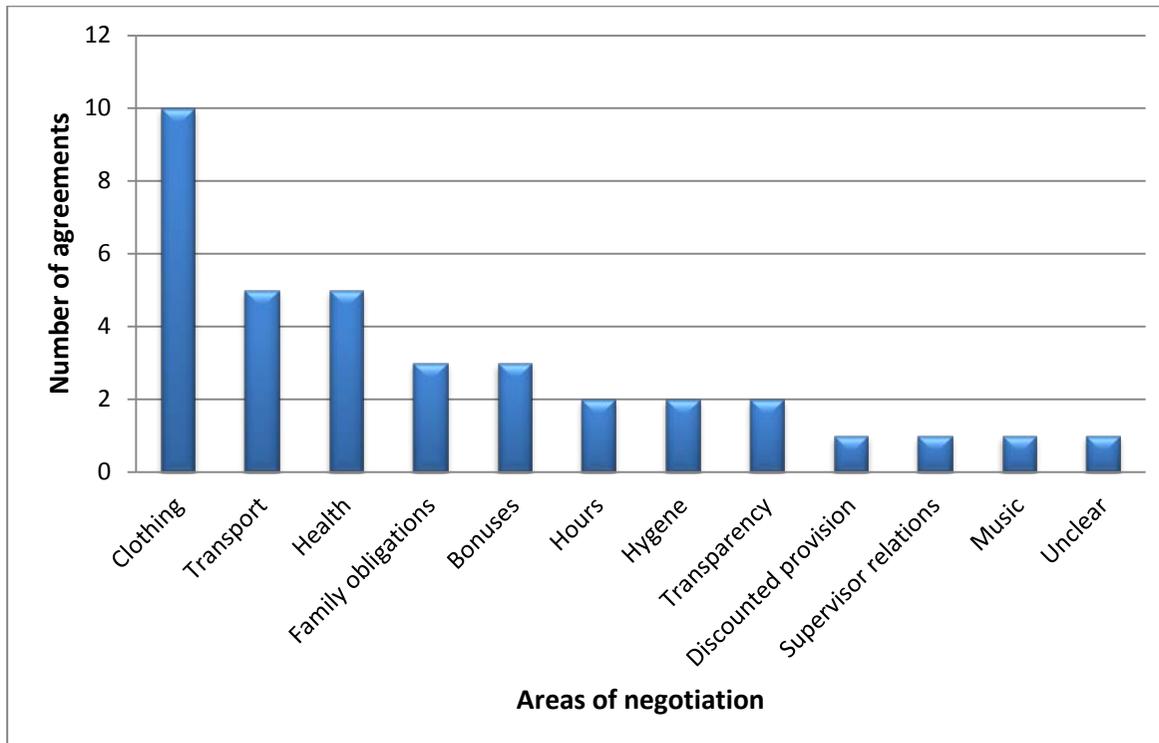


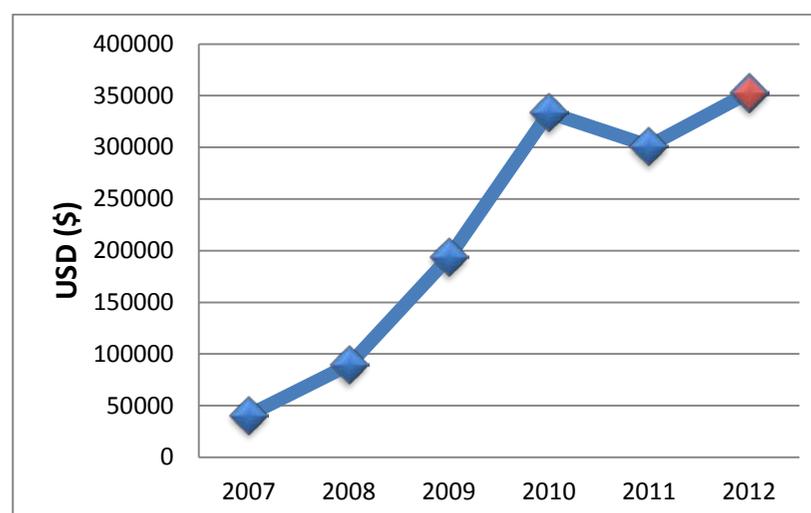
Figure 5: Farm B: Workers' Committee negotiated agreements (2007-2011)



## 5.2 Fairtrade Premium investments on Farms A, B and C (2007-2011)

Fairtrade Premium fund revenues available for Joint Body initiatives on **Farm A** increased continuously from 2007 to 2010, dipped slightly in 2011, and had begun to grow once again in 2012.

**Figure 6:** Farm A: Fairtrade Premium fund revenues (2007-2011)



**Table 9:** Farm A: Fairtrade Premium fund investments (2007-2011)

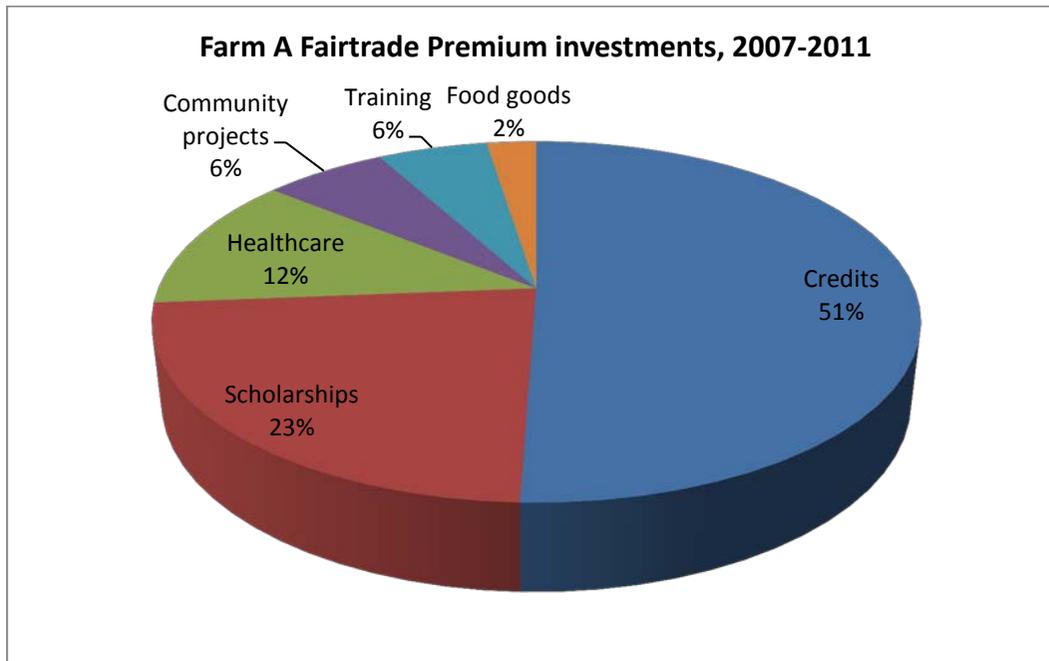
Premium fund investments	2007	2008	2009	2010	2011	Rounded Totals <sup>42</sup>
<b>1. Credits</b>	17,650	27,159	82,901	214,435	137,775	479,920
<b>1a. Housing credits</b>			36,142	195,818	116,727	
<b>1b. Microcredits</b>			46,759	18,617	21,049	
<b>2. Scholarships</b>	13,099	13,536	68,269	61,725	63,370	219,999
<b>3. Healthcare</b>	1,889	11,243	10,891	30,802	59,979	114,804
<b>4. Community projects</b>	63	30,789	16,007	2,886	8,842	58,587
<b>5. Training</b>	8,216	6,412	8,125	15,940	13,739	52,432
<b>6. Food goods</b>		335	7,524	7,672	8,092	23,623
<b>Totals</b>	<b>40,916</b>	<b>89,473</b>	<b>193,716</b>	<b>333,459</b>	<b>301,418</b>	<b>958,982</b>

If the Farm A Fairtrade Premium investments had been distributed as direct payments to the 103 workers (the size of the workforce on Farm A in 2011) over the last three years for which there existed data at the time of this study (2009-2011), the Fairtrade Premium would have provided approximately \$2,682 per worker annually or the equivalent of a **70 per cent increase in the current minimum wage** (\$318 per month).

<sup>42</sup> In this table, each category of annual premium expenses (credits, scholarships, etc.) has been rounded to the nearest whole dollar, although the overall yearly totals and the overall premium total were tallied based on values that were not rounded. Farm A provided the data for this chart in amounts that were not rounded.

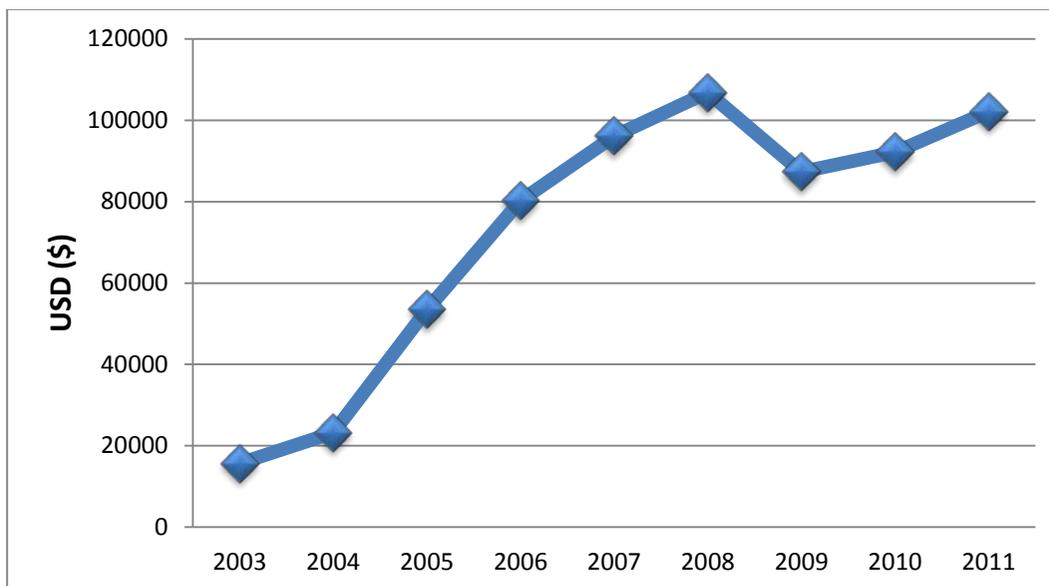
Approximately half of the Fairtrade Premium investments from 2007 to 2011 were distributed in the form of loans. For the period during which Farm A has distinguished between housing loans and micro-credits in its records (2009-2011), 80 per cent of those Fairtrade Premium funds dedicated to credit was distributed in the form of housing loans and 20 per cent as micro-credits, understood as productive loans. Significant amounts were also dedicated to scholarships for workers and their children and to healthcare initiatives.

**Figure 7:** Farm A Premium fund Investments (2007-2011)



Fairtrade Premium revenues on **Farm B** increased steadily from 2003 to 2008, at which point they fell as a result of a drop in Fairtrade sales. Since 2009, the Fairtrade Premium has been recovering.

**Figure 8:** Farm B: Premium fund revenues (2003-2011)

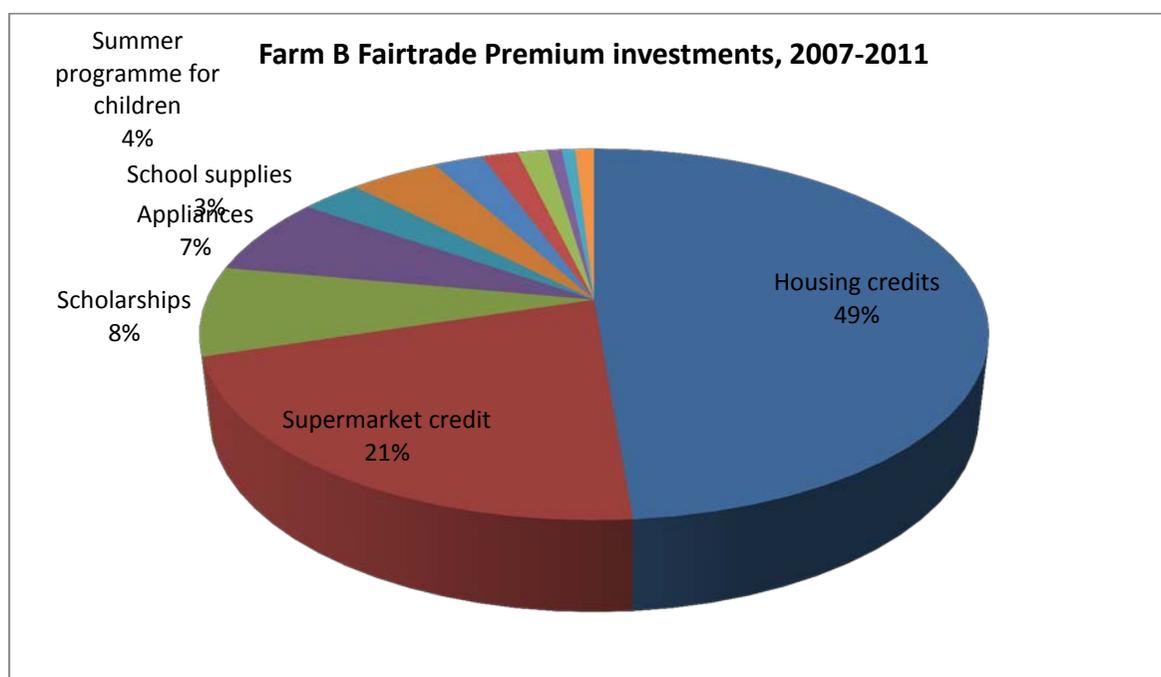


**Table 10:** Farm B: Fairtrade Premium fund investments (2007-2011)

Fairtrade Premium fund investments	2007	2008	2009	2010	2011	Rounded Totals <sup>43</sup>
<b>1. Housing credits</b>	8,520	55,500	90,800	11,4000	54,200	<b>323,020</b>
<b>2. Supermarket credit</b>	12,878	39,527	35,652	31,935	34,370	<b>154,362</b>
<b>3. Scholarships</b>	234	10,127	15,997	9,972	15,466	<b>51,796</b>
<b>4. Credits for appliances</b>	2,088	7,156	9,926	15,252	10,801	<b>45,223</b>
<b>5. School supplies for children</b>	0	1,979	5,905	13,537	13,682	<b>35,104</b>
<b>6. Summer programme for children</b>	0	4,611	8,000	9,800	5,984	<b>28,395</b>
<b>7. Healthcare</b>	472	2,427	568	5,029	7,473	<b>15,969</b>
<b>8. Communication project</b>	1,854	1,321	1,178	1,099	6,754	<b>12,206</b>
<b>9. Prepaid medicine</b>	0	0	1,263	3,324	4,172	<b>8,759</b>
<b>10. Healthcare for families</b>	0	2,016	1,392	2,607	2,416	<b>8,431</b>
<b>11. Computer centre</b>	1,352	1,472	8,802	1,746	1,215	<b>7,781</b>
<b>12. Family gardens</b>	0	0	1,800	1,800	2,000	<b>5,600</b>
<b>Totals</b>	<b>27,398</b>	<b>12,6136</b>	<b>181,283</b>	<b>210,101</b>	<b>158,533</b>	<b>696,646</b>

If the Fairtrade Premium received had been distributed as direct payments to the 209 workers (the size of the workforce on Farm B in 2011) over the last three years for which there exists data (2009-2011), the Fairtrade Premium would have provided approximately \$877 per worker annually or the equivalent of a **23% increase in the current minimum wage** (\$318 per month).

**Figure 9:** Farm B: Fairtrade Premium fund investments (2007-2011)

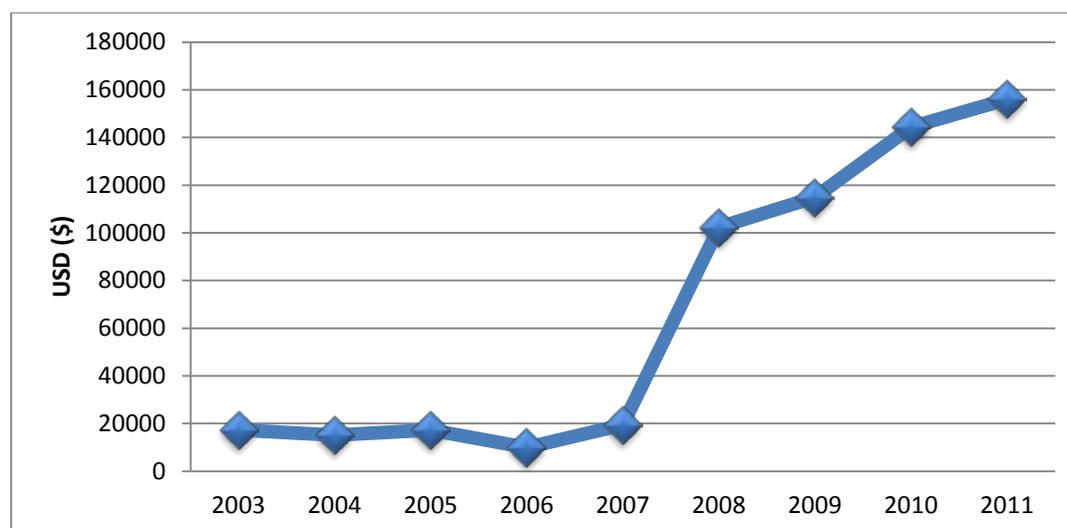


<sup>43</sup> In this table, each category of annual Fairtrade Premium expenses (credits, scholarships, etc.) has been rounded to the nearest whole dollar, although the overall yearly totals and the overall Fairtrade Premium total were tallied based on values that were not rounded. Farm B provided the data for this chart in amounts that were not rounded.

Again, housing credits constituted the largest investment from 2007 to 2011. This expenditure was followed by supermarket credit, an initiative that may be transformed by an incipient proposal by the Joint Body to promote smallholder farming among workers through collective marketing projects. Another loan project, geared towards accessing appliances such as refrigerators and ovens, was the fourth largest Fairtrade Premium expense. Altogether loans to workers made up 77 per cent of Fairtrade Premium investments.

Fairtrade Premium revenues on **Farm C** have increased steadily each year from 2007 to 2011. A significant amount of funds (280,000 USD) was saved and then spent in 2010 to purchase land for all of the workers in an urban zone in the nearby city of Latacunga.

**Figure 10:** Farm C: Fairtrade Premium fund revenues (2003-2011)



**Table 11:** Farm C: Fairtrade Premium fund investments (2007-2011)

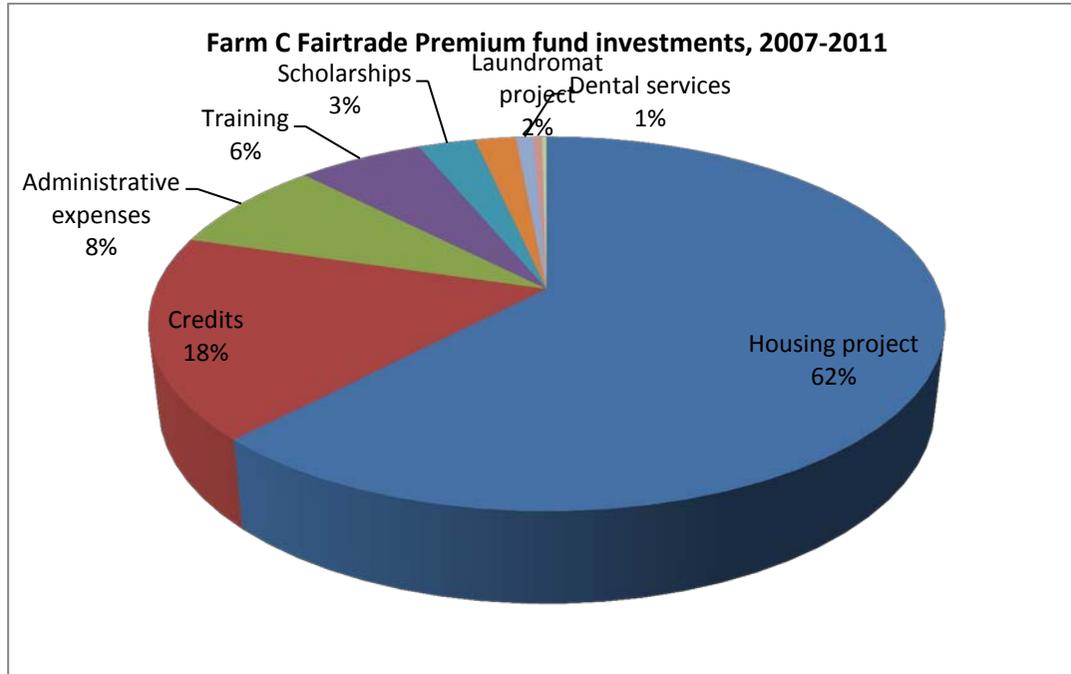
Fairtrade Premium fund investments	2007	2008	2009	2010	2011	Rounded Totals <sup>44</sup>
<b>1. Housing project</b>				280,000	575	<b>280,575</b>
<b>2. Credits</b>	9,136	15,360	19,050	21,400	13,804	<b>78,750</b>
<b>3. Administrative expenses</b>	4,881	6,887	10,584	6,541	7,259	<b>36,152</b>
<b>4. Training</b>	3,452	3,825	2,358	9,398	8,494	<b>27,527</b>
<b>5. Scholarships</b>	3,010	3,010	2,782	1,333	2,407	<b>12,542</b>
<b>6. Laundromat project</b>					8,952	<b>8,952</b>
<b>7. Dental services</b>	18	1,194	964	568	1,110	<b>3,854</b>
<b>8. 'Project integration'</b>	1,851					<b>1,851</b>
<b>9. Nursery</b>	165	263	108	486	40	<b>1,062</b>
<b>Totals</b>	<b>22,513</b>	<b>30,539</b>	<b>35,846</b>	<b>319,726</b>	<b>42,641</b>	<b>451,265</b>

If Fairtrade Premium investments had been distributed as direct payments to the 203 workers (the size of the workforce on Farm C in 2011) over the last three years for which there exist data (2009-2011), the Fairtrade Premium would have provided approximately 654 USD per worker annually or the equivalent of a **17 per cent increase in the current minimum wage** (318 USD per month).

<sup>44</sup> In this chart, each category of annual premium expenses (credits, scholarships, etc.) has been rounded to the nearest whole dollar, although the overall yearly totals and the overall premium total 2007-2011 were tallied based on values that were not rounded. Farm C provided the data for this chart in amounts that were not rounded.

The vast majority of Fairtrade Premium funds on Farm C in this period (62 per cent) were saved and then spent on land for workers in an urban area. Other noteworthy expenses included a plantation laundromat, an initiative that cost less than 2 per cent of Fairtrade Premium revenues in this period, but nonetheless has been highly valued by the workers for its impact on reducing domestic workloads.

**Figure 11:** Farm C: Fairtrade Premium fund investments (2007-2011)



**5.3 What impacts can be inferred from Workers’ Committee agreements and Joint Body Fairtrade Premium investments?**

The following table represents an attempt to analyze signed agreements and Fairtrade Premium investments in relation to each worker-defined empowerment result:

**Table 12:** Analysis of agreements and investments (2007-2011) in relation to worker-defined empowerment results

Results	Relation of agreements and investments (2007-2011) to results
<b>R1. Workers express ideas and concerns to supervisors and administrators without fear of retribution and with the right to duly justified resolutions</b>	<p><i>Agreements and investments as means to achieving the result:</i> Investments in training suggest that workers are being provided spaces for developing skills and knowledge that will encourage them to express their ideas and concerns, as participants in the study described (for example, investments in training on Farm C average 5,505 USD annually).</p> <p><i>Degree to which the result can be inferred from agreements and investments:</i> The fact that workers are actively negotiating agreements and developing their own projects reflects this result.</p>

<p><b>R2. Workers know their rights</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> Again, although data on investments in trainings does not indicate the topics covered, as participants in the study described, at least part of these investments have been directed towards trainings on rights. <i>Degree to which the result can be inferred from agreements and investments:</i> As workers negotiate agreements, they exercise their right to do so (although, as discussed in 'Challenges,' it is unclear whether or not workers consider this a basic right or a Fairtrade-sponsored benefit).</p>
<p><b>R3. Women achieve greater influence in the workplace, at home, and in the community</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> Women's participation has been promoted in the trainings that have been noted for helping workers to develop confidence to express their ideas and concerns, although no agreements or investments have been gender-specific. <i>Degree to which the result can be inferred from agreements and investments:</i> Women have been active in negotiating agreements and designing projects as members of the Workers' Committees and Joint Bodies.</p>
<p><b>R4. Workers attain economic security</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> The Workers' Committee on Farm A has been able to negotiate fixing the minimum wage on the plantation 5 USD above the national minimum wage (1.6 per cent above, according to the current minimum). However, the national minimum wage (\$318 per month) is currently 16% below the government-defined 'dignified salary' of \$378.45 per month which in turn is derived from a calculation of the 'basic family basket' or the cost of living. In addition to the basic salaries, the Workers' Committees on Farm A and Farm B have negotiated several non-cash benefits and working hours or overtime regulations. The most significant strides taken towards attaining economic security have been in the area of housing (more than half of all Fairtrade Premium funds on these three plantations were invested in loans for housing construction or reparations or land purchases for housing). Many workers reported having rented homes or apartments before accessing these loans.</p>
<p><b>R5. Workers increase their independent incomes and/or savings</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> Participants mentioned housing loans, scholarships, and productive credits in terms of increasing their independent incomes (through independent economic activities) and savings (on rent and education). Micro-credits or productive loans specifically have constituted 9 per cent of Fairtrade Premium investments on Farm A since 2009 and 17 per cent of investments on Farm C from 2007 to 2011. Productive loans, specifically for family farms, have represented a minimal portion of Fairtrade Premium investments on Farm B. Relatively few workers have received loans for productive activities. For example, on Farm B, the only productive credits (farming) constituted 0.8 per cent of Fairtrade Premium funds between 2007 and 2011, benefiting 7 to 8 workers annually. In 2011, 25 workers on Farm C received credits (13 women; 12 men) -- or 12.5 per cent of the workforce --, averaging approximately \$550 each.</p>
<p><b>R6. Workers and their children expand options for economic strategies</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> In this result education is not considered an expense, but rather an investment in developing economic independence. Again, scholarships constituted the second and third most important purpose of Fairtrade Premium investments on Farms A and B, respectively, although these funds seem to have been destined to a somewhat limited number of beneficiaries (between 7 and 29 beneficiaries annually on Farm B from 2007 to 2011; 31 beneficiaries on Farm C in 2011).</p>
<p><b>R7. Worker organizations successfully negotiate worker ideas and concerns on the plantation</b></p>	<p><i>Agreements and investments as means to achieving the result:</i> Several agreements were reached to attempt to guarantee sufficient time for the Workers' Committees and Joint Bodies to carry out their tasks. <i>Degree to which the result can be inferred from agreements and investments:</i> On Farms A and B, Workers' Committees negotiated 14 and 36 agreements, respectively, from 2007 to 2011. No information was made available on <b>unsuccessful</b> negotiations. No information was made available for Farm C.</p>

<p><b>R8. Workers participate in community-based organizations</b></p>	<p><i>Agreements and investments as means to achieving the result.</i>                  Several Fairtrade Premium investments had the effect of reducing workers' domestic workload, most notably the laundromat, thus enabling workers to dedicate more time to their families and communities. Several agreements are designed to enable workers to spend working hours with family members on particular occasions (e.g. deaths in the family; accompanying children to school).</p>
<p><b>R9. Workers have their collective interests represented in decision-making spaces outside of the plantation</b></p>	<p><i>Agreements and investments as means to achieving the result.</i>                  No agreements or investments supported the representation of worker interests outside of the plantation as an end. Again, support for horizontal organizing between workers' organizations on different plantations is one strategy for workers to seek representation. Another strategy is collaboration with existing organizations, such as worker associations (ASOTFLORPI) or trade unions (FENACLE) in the flower sector.</p>

#### 5.4 The limits of understanding impact through inference

The information provided by the plantations on Workers' Committee agreements and Joint Body investments suggest that activities have been taking place on these plantations that have been *geared towards* achieving most of the empowerment results, as defined by the participants in the study. However, Fairtrade, the Joint Bodies, and the Workers' Committees lack adequate systems of monitoring and evaluation to measure the impacts that the workers would like to see.

The FLO-Cert audits ensure compliance with formal structures and actions that are *geared towards* 'the social and economic development of workers'. The Fairtrade criteria present in the audit report checklist ensure the proper operating structure of Workers' Committees and Joint Bodies and the fulfillment of other standards. However, as several owners have observed, many of the criteria are difficult to measure, subjective, or vague. This critique applies to the criteria that refer to the 'social and economic development of workers'. The audit forms do not reflect measurements of concrete impacts in terms of social and economic development.

## 6. CONCLUSIONS AND RECOMMENDATIONS

Empowerment describes a process of changing power relations, but it is a term that is often used without being well-defined. The present study represents an effort to encourage workers on Fairtrade-certified flower plantations in Ecuador to reflect upon power relations and define their own empowerment goals, promoting the construction, articulation, and communication of their perceptions of empowerment through discussions about past successes and limitations, as well as future goals. The researcher hopes that this study may aid Fairtrade to improve its standards and farm support and adapt its M&E systems to be able to track aspects of worker empowerment.

Addressing the issue of empowerment with workers required the use of an innovative methodology to promote knowledge construction and a critical awareness of how Fairtrade mechanisms influence power relations. Carrying out the research on the plantations was challenging in other ways, with some workers expressing insecurities about criticizing Fairtrade mechanisms and management practices.

Workers defined 'full empowerment' as economic independence or, in other words, the ability to *choose* to leave the labour market and dedicate themselves to their own agricultural production or small businesses. This goal was understood as the result of workers increasing their 'control' over their life choices, in a broad sense. However, by the same token, workers identified valuable empowerment processes within the plantations. The researcher was able to identify several consensuses in terms of important empowerment factors that Fairtrade has been able to promote. First, participating workers identified '**developing their voice**' as a necessary aspect of past empowerment processes. The development of capacities and willingness to express ideas and concerns both in the workers' assembly and directly to supervisors and members of the management was identified by nearly all of the participating workers as an important element of empowerment. The participants identified several sources for strengthening *individual voice*: Experience in the Joint Body and/or Workers' Committee, including exchanges with workers' organizations on other plantations; technical skills development (e.g. accounting, project management, computer skills); topic-based training sessions (e.g. family issues, health); and the acquisition of knowledge about rights and obligations were each cited repeatedly by the workers as crucial for developing new knowledge, trust between workers, self-confidence, and, ultimately, a willingness to express ideas and concerns in the workplace. Workers also stressed the importance of *participatory* training sessions, in which workers are encouraged to interact with the trainer and their co-workers and discuss and express their ideas.

Secondly, worker empowerment has reportedly involved changes related to the construction of capacities for **collective influence**. The vehicle for such changes has been the Workers' Committee. On the three plantations involved in the study, participants observed a process in which the Workers' Committees and the assemblies had matured together, with the support of Fairtrade, and developed capacities to articulate proposals and voice concerns as complementary organizations under the leadership of Committee presidents.

By the same token, the Workers' Committees have demonstrated potential for representing worker interests in decision-making spaces both on *and* off the plantation and for forming alliances with other organizations that promote the interests of rural workers, although to date Workers' Committees have reportedly not been provided enough time and resources to organize internally and horizontally (between plantations) in order to realize this potential fully.

In terms of worker (re-)integration into community organizations, Fairtrade-certified plantations have introduced important reforms enabling greater worker participation in their communities and families, including initiatives aimed at easing the domestic workload; access to housing and productive loans, helping workers to invest in their communities; and the development of skills and capacities to encourage worker participation in local leadership positions.

Finally, participants emphasized the importance of accessing **resources** as a fundamental element of worker empowerment. They considered the Fairtrade Premium to be a resource which was providing important support for worker empowerment processes. Participants considered housing credit as a pathway to economic independence. Scholarships for workers and their children were seen as mechanisms for expanding capacities and, in turn, increasing the possibilities for workers and their children to make livings outside of the flower sector. Workers saw microcredits for productive initiatives (e.g. for investments in agriculture or small businesses) as potential mechanisms for expanding options for developing autonomous economic strategies. To date, however, Fairtrade Premium investments have not been prioritized for productive initiatives. Although further inquiry is necessary to explain why more Fairtrade Premium funds have not been used in this way, given the emphasis workers put on its potential for doing so, one clear reason was that workers observed very difficult obstacles to advancing their independent initiatives (e.g. lack of land, irrigation water, or market access) and therefore preferred to invest limited Fairtrade Premium funds in more immediate and achievable needs, such as housing or education.

Despite difficulties and challenges, workers, supervisors, and management on the Fairtrade-certified plantations involved in this study acknowledged that Fairtrade has provided clear and coherent strategies and requirements for reforming plantation policies and practices and generating substantially better social and environmental conditions for workers. They acknowledged that Fairtrade had installed mechanisms that have helped workers to **increase their control over their working and living conditions by building individual and collective capacities and by expanding access to resources**. Fairtrade is well-positioned to build on its successes to address the following list of key challenges. This list is followed by a list of worker-identified recommendations that could be channeled through Joint Bodies and/or Workers' Committees in the form of standard revisions, modified producer support, or targeted investments in order to address these key challenges (recommendations generated by the researcher are also indicated).

### 6.1 Principal challenges for Fairtrade

- 1) Some administrators and supervisors, especially those who were new to Fairtrade, reportedly **did not listen to or respect workers who expressed their ideas and concerns**. Building capacities and willingness to express ideas and concerns has been a necessary step in worker empowerment, insofar as it has *made possible* greater worker control and power of decision, but by itself this has not guaranteed increased worker control in hierarchical relationships.
- 2) Workers reported rapidly **increasing workloads in recent years, accompanied by mistreatment from supervisors** on two of the three participating plantations. With accelerated increases in the minimum wage in Ecuador, workers have observed accelerated increases in workloads or 'quotas.' Accelerated minimum wage increases are set to continue through 2014, as the minimum wage must reach the state-defined 'dignified salary',<sup>45</sup> according to Constitutional mandate.
- 3) Workers reported that in recent years, Fairtrade **training sessions have become less frequent, less participatory** in nature, and consequently **less effective**. In order to be effective in terms of generating worker integration and useful knowledge, trainings need to be more frequent or sustained and more engaging (e.g. workers highly valued the use of interactive pedagogical tools, such as drawing).

<sup>45</sup> The dignified salary is calculated by dividing the 'basic family basket,' the cost of 75 goods and services deemed necessary to maintain a family of four, by the average number of working family members, 1.6. The 'dignified salary' is currently \$378.45 USD per month and the minimum wage is \$318 USD per month, but will reach 371 USD per month in late 2013.

**Table 13:** Yearly increases in minimum wage in Ecuador (USD / month)

	Yearly increases in minimum wage in Ecuador (USD / month)								
Year	2006	2007	2008	2009	2010	2011	2012	2013	2nd semester, 2013
Wage	160	170	202	218	240	264	292	318	371
% increase	6.7	6.3	18.8	7.9	10.1	10	10.6	8.9	16.7

Source: National Institute of Statistics and Census, 2013

- 4) Workers were counting on continually increasing Fairtrade **Premium funds**; however, in recent years on the participating plantations a large part of the Fairtrade Premium received has been generated by sales in a single national market, the United States. The risks of dependence on a reduced number of national markets are reflected by the termination of the ATDPEA trade preference.<sup>46</sup>
- 5) Workers reported that often they did not freely express their ideas and concerns in Workers' Assemblies given that the principle of **confidentiality** was not respected and Human Resource representatives often confronted workers who complained.
- 6) Workers reported that they did not have ready access to direct and anonymous lines of **communication with Fairtrade representatives** to have their questions and complaints addressed.
- 7) **Horizontal organizing** between Joint Bodies and between Workers' Committees from different firms was reportedly **not given sufficient time and resources** to be effective, despite the fact that workers identified tremendous potential in this area for improving projects and worker representation.
- 8) Fairtrade impacts could only be inferred from the available documentation, for example, on signed agreements and Fairtrade Premium investments. **Fairtrade has lacked an adequate M&E system** to measure impacts and evaluate projects, standards, and producer support.

## 6.2 Principal context-related challenges

Two 'context-related' challenges are important to observe due to their influences on possible solutions to the challenges listed above (though these challenges are beyond Fairtrade's capacities to address). The first is that of uneven territorial development. The majority of participants envisioned attaining 'full empowerment' through independent economic activities, but most observed serious obstacles to advancing these initiatives. In agriculture, they reported limited access to land, irrigation systems, and markets; erosion and diminishing soil fertility; increasing costs of inputs; and increasing climate variability. In terms of SMEs, they reported high start-up costs; high interest rates from non-Fairtrade Premium credit sources; and consolidated market competition. Consequently, workers have risked relatively small amounts of Fairtrade Premium funds for developing independent economic activities (for more information on these obstacles, see Annex 1: Analysis of the economic conditions in flower-growing territories).

The second context-related challenge is informed by additional research carried out in 2008, 2009, 2011, 2012, and 2013. Despite Fairtrade's commitment to partner with unions, as outlined in the 2007/2008 strategic review, under current conditions Workers' Committees are the most practical vehicles for Fairtrade to promote worker representation on and off of Fairtrade plantations (either as individual committees, as a single platform, and/or in alliance with other organizations, such as the recently-formed flower workers' association, ASOTFLORPI). The main rural union in Ecuador, FENACLE<sup>47</sup>, has not expanded in the flower sector since the 1980s due to the repeated repression of organizing attempts. Workers on Fairtrade and

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<sup>46</sup> Ecuador is likely to lose a long-running trade preference with the U.S. under the Andean Trade Promotion and Drug Eradication Act (ATDPEA), which has provided Ecuadorian roses with duty-free access to U.S. markets since 1992, but is set to expire on July 31, 2013. Ecuador is unlikely to sign any free trade agreement with the U.S. in the next four years, which neighboring countries Peru and Colombia (an important competitor for Ecuadorian roses) have recently done. The president of Ecuador, Rafael Correa, has vowed to subsidize flower exports to the U.S. for at least two years upon the expiration of the ATDPEA and assuming that no special trade agreement can be signed for flowers.

<sup>47</sup> The National Federation of Free Agroindustrial, Peasant, and Indigenous Workers of Ecuador (FENACLE) has a presence in the banana, sugar, rice, corn, and soy industries, with 65,000 affiliates. It provides representation and training, is active in negotiations over the new labour code (facilitated by the president of FENACLE, a national congressman in the majority party), and also represents smallholder farmers, promoting equitable access to land and irrigation water through legislative reform. No Fairtrade flower plantation in Ecuador has unionized workers and only two of the estimated 700-800 flower plantations in the country have unionized workers. FENACLE has represented workers on those two plantations (*Florequisa* and *Jardines de Cayambe*) since the 1980s.

non-certified plantations are aware of black-listing tactics and usually report that they are hesitant or fearful to address the topic of unions. Fairtrade workers specifically tend to acknowledge both a lack of knowledge about unions and a hesitance to pursue the topic in order lest they risk the conditions and benefits that the Fairtrade system has provided them (thus, no workers identified unions as a possible empowerment mechanism in this study). Multiple sources reported that it was unlikely any management would accept unionized workers in today's industry, citing the time-sensitive nature of production and/or inefficiencies or corruption among unions (for more information about freedom of association in the sector and recommendations for Fairtrade strategies see Annex 2: Analysis of freedom of association). This context has long been recognized by Fairtrade representatives in Ecuador, who have focused on strengthening Workers' Committees rather than partnering with unions.

## 6.3 Recommendations

### 6.3.1 Recommendations in relation to the Joint Body

Fairtrade should:

- 1) Invest in ensuring US markets and diversifying national markets to maintain **Fairtrade Premium fund growth**, despite changing scenarios of international trade. The researcher also recommends exploring the possibilities for Joint Bodies to **leverage funds** or co-finance initiatives with organizations that share the workers' empowerment goals (e.g. NGOs, local governments, and/or private enterprise).
- 2) Provide **support** and advice to workers and management through the Liaison Officer to develop the following:
  - a. The workers' **independent economic activities**  
For example, this could include organizing the sale of worker produce on and/or off the plantation; facilitating advisory training for farmers and small business entrepreneurs; and encouraging plantation management to direct food credits away from supermarkets to promote the sale of the workers' farm production; etc.
  - b. Initiatives that **reduce domestic workloads** (e.g. laundromat services) to enable workers to spend more time with their families and communities.

### 6.3.2 Recommendations in relation to the Workers' Committee

Fairtrade should:

- 3) Promote the strict regulation of **confidentiality in workers' assemblies**, with clear **channels of communication** for denouncing non-conformity by workers or management.
- 4) Incorporate standards that enable Workers' Committees to be able to **respond to and negotiate increasing workloads** (i.e. 'quotas') and pressure on workers, including improving worker understanding of their **rights and obligations** and improving **channels of communication** with Fairtrade to denounce poor treatment. The researcher also recommends providing workers with access to plantation financial information (i.e. **transparency**).

### 6.3.3 Recommendations in relation to the Joint Body and the Workers' Committee

Fairtrade should:

- 5) Require or encourage through standards revision an adequate handling of Joint Body and Workers' Committee member turnover to maximize the **inclusion** of new members, while ensuring the **continuity** of capabilities. For example, stagger elections so that half of the members are elected every two years

(full turnover every four years). Encourage Joint Bodies to fund a *full-time* position in Joint Bodies and Workers' Committees, if possible. *Positive experiences in a Joint Body on one of the plantations have demonstrated that a full-time funded position can greatly increase capacities.*

- 6) Invest in a **closer, more frequent, and more efficient** accompaniment from the Fairtrade Liaison Officer to provide or oversee **participatory** training sessions, promoting worker integration and skills development, as well as providing **greater Fairtrade presence** for mediating conflicts and confusion about standards.
- 7) Institute standards that ensure **funding and time for exchanges between Joint Bodies** to share project ideas and management strategies and **between Workers' Committees** to construct and consolidate a **national platform** for exchanging information, cooperating, developing strategic alliances, and providing workers with representation to managements, government, and Fairtrade (for more information on the possible strategic importance of such a platform, see Annex 2: Analysis of freedom of association). Exchanges between Joint Bodies should take place more than once a year and for more than one day in order to be fruitful, according to worker observations.
- 8) Establish and promote **direct channels of communication** between Workers Committees and Joint Bodies on the one hand and Fairtrade on the other hand, **enabling workers** to present questions and complaints through formal channels. The researcher also observes that such channels might permit Fairtrade to gather information directly from workers (e.g. through surveys). A possible medium for this communication could be a **webpage or intranet system exclusively for Fairtrade workers and/or workers' organizations**, through which they could share information, communicate complaints, respond to surveys, and access **important information generated by Fairtrade or other workers' organizations**.<sup>48</sup> *In addition, such a channel would greatly facilitate external impact studies and even reduce the need for such studies.*
- 9) The researcher recommends investing in and developing a **monitoring and evaluation (M&E) system** that would allow for the establishment of impact indicators for empowerment goals and for each Joint Body project. This system should be consolidated into a database that would be **worker-managed and common**, ensuring that data is comparable between plantations. *In addition, such an M&E system would greatly facilitate external impact studies and even reduce the need for such studies.*<sup>49</sup>

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<sup>48</sup> Such a website could also facilitate recording the history of Fairtrade worker organizations and impacts for developing a **collective memory**.

<sup>49</sup> In chapter five, the empowerment processes indicated by the workers were formulated into empowerment objectives, which in turn facilitated the construction of results and indicators. This exercise was carried out to help communicate empowerment goals. The objectives, results, and indicators were designed to reflect worker input closely and consequently they are highly relevant, but may not be operable according to the other dimensions of so-called 'SMART' objectives (**S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime-Bound). The operability of any impact-oriented objectives, results, and indicators, if they were to be implemented, would depend on the capacities of the M&E system. Currently, little can be inferred in terms of the empowerment impact of Fairtrade based solely on the data available on Workers' Committee agreements and Joint Body investments.

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## 8. ANNEXES

### Annex 1: Analysis of the economic conditions in flower-growing territories

Poverty rates are declining in Ecuador. With the so-called ‘return of the state’ over the past six years, built on high oil prices,<sup>50</sup> improved tax collection,<sup>51</sup> and public debt, the state has made unprecedented investments in healthcare, education, and social programmes. Unemployment has dropped several percentage points (INEC, 2010), various vulnerability indices have declined, and international aid is withdrawing from the country. According to the Economic Commission for Latin America, Ecuador reduced poverty levels with the greatest efficiency of all Latin American countries in 2011 (i.e. achieved the greatest reduction at the lowest cost per capita) (ECLAC, 2012).

Ecuador has experienced many booms in its history,<sup>52</sup> during which relative poverty has decreased through the redistribution of wealth to economically and ethnically marginalized segments of the urban population, whilst chronic structural poverty has remained in rural areas, where marginal segments of the population have limited access to both state and productive resources. In effect, urban poverty has declined consistently since 2008 in the context of a commodities boom (oil, minerals, and biofuels); however, this boom has not significantly reduced rural poverty nor affected the concentration of productive resources or market access.<sup>53</sup> Structural inequality is reflected by the Gini index of income inequality (Ecuador is ranked fifth in terms of greatest income inequality in Latin America<sup>54</sup>) and the persistence of rural poverty specifically is reflected by Ecuador’s two principal poverty indicators:

- 1) Income poverty<sup>55</sup>
- 2) Unsatisfied basic needs (UBN)<sup>56</sup>

<sup>50</sup> State oil revenues have increased 300 per cent since 2001 (*Banco Central de Ecuador*, 2012).

<sup>51</sup> Tax revenues have increased 400 per cent since 2001 (*Servicio de Rentas Internas*, 2012).

<sup>52</sup> For example, the cacao export boom from 1850 to 1920; the banana export boom from 1948 to 1965; and the oil export boom from 1972 to 1981 (Carrión, 2012).

<sup>53</sup> For example, three companies control 91 per cent of supermarket sales (SENPLADES, 2012); one company controls 62 per cent of the meat market (ibid); and nine companies control 61 per cent of textile sales (INEC, 2010).

<sup>54</sup> According to data compiled in the CIA World Factbook for 2012.

<sup>55</sup> **Income poverty** refers to individual incomes and varies relative to the Consumer Price Index (CPI). Income poverty is calculated on a monthly basis. As of March, 2013, the poverty line was **76.73 USD/month** (the extreme poverty line was **31.92 USD/month**) (INEC, 2013). *Other commonly cited indicators related to the CPI:* The ‘Basic Family Basket’ refers to the cost of **75** of the CPI goods and services that have been deemed *necessary* for maintaining a household of four. As of April, 2013, the cost was **605.52 USD/month** (INEC, 2013). The Vital Family Basket consists of **73 essential** goods and services for sustaining a family of four. As of April, 2013, the cost was **437.87 USD/month** (INEC, 2013).

<sup>56</sup> According to the indicator **UBN**, measured in each national census, a household is **poor** if one of the following conditions is present and is **extremely poor** if two or more are present: 1. The household has inadequate physical characteristics; 2. The household has inadequate services; 3. The household has a high economic dependence (with more than 3 working members and the head of the household with a maximum of 2 years of elementary school education); 4. The household has children between 6 and 12 years of age who do not attend school; 5. The household is critically overcrowded (with more than 3 people per room on average)

**Table 14:** Urban and rural poverty rates in Ecuador

	Urban	Rural	Proportion rural: urban
<b>Income poverty</b>	<b>16.1</b>	<b>49.1</b>	<b>3:1</b>
<b>UBN<sup>57</sup></b>	<b>46.1</b>	<b>83.4</b>	<b>2.1</b>

Source: National Institute of Statistics and Census, 2010; 2013

**Table 15.** Population data and poverty rate trends in cantons with high levels of flower production in Ecuador

<b>Population Data and Poverty Rate (UBN) Trends in Cantons with High Volumes of Flower Production in Ecuador</b>				
	National	Cayambe	Pedro Moncayo	Latacunga
<b>Population, 2010</b> <i>Rural population</i>	14,483,499 37.2%	85,795 54.5%	33,172 69.7%	170,489 62.6%
<b>Poverty rate, 1990</b>	79.6	86.7	90.4	81.2
<b>Poverty rate, 2001</b>	71.4	80.9	86.2	73.3
<b>Poverty rate, 2010</b>	60.4	66.9	71.9	64.7
<b>Rural poverty rate, 1990</b>	97.2	97.4	97.7	97.0
<b>Rural poverty rate, 2001</b>	91.7 (-6%)	96.0 (-1%)	93.7 (-4%)	92.1 (-5%)
<b>Rural poverty rate, 2010</b>	83.4 (-9%)	87.7 (-9%)	81.6 (-13%)	86.2 (-4%)

Source: National Institute of Statistics and Census, 2010; 2013

As noted earlier, much of the labour force in the flower industry consists of immigrants from other areas of the country, or families of immigrants who have returned to flower-growing regions from the cities after waves of rural-urban migration in the 1970s and 1980s. Another large segment (not exclusive to the others) is comprised of smallholder farmers, confronted with a diminishing access to land, water, and markets, in addition to facing increasing environmental problems related to climate change (Carrión, 2012).<sup>58</sup> In many cases, such families have developed **multiple economic strategies**, including smallholder production, temporary migration to major cities (e.g. as day-labourers in construction), work in small businesses in growing rural towns, and work in the flower and other agroindustries (e.g. broccoli plantations in Cotopaxi).

Workshop participants in a 2012 Oxfam study with farmers in Cayambe reported having worked in the flower sector at several different times in their lives, viewing it as a last-resort or **safety-net**, especially after failed harvests, at the same time citing beliefs about its negative social, environmental, and public health effects (Enríquez, Lyall, and Molina, 2012).<sup>59</sup>

<sup>57</sup> UBN among the *white* urban Ecuadorians is 40.6 and among indigenous rural Ecuadorians is 95.4 – that is, UBN is 2.3 times greater among the indigenous rural population.

<sup>58</sup> Ecuador has one of the most unequal land distributions in the world (Gini Index of 0.81) and access to irrigation water is similarly unequal (Acosta, 2012).<sup>58</sup> In concrete terms, 70% of farmers access 6% of productive land (ibid; 68) and, although smallholder farmers represent 86% of users, they access 13% of the irrigation water (ibid; 68).

<sup>59</sup> During a project evaluation carried out on behalf of Intermón Oxfam in towns located in two of the three areas involved in the

Participants in another workshop with farmers in Cayambe in 2013 observed the influences that have encouraged more farmers to join the labour force in the flower sector on a more permanent basis in recent years. They cited the withdrawal of international aid organizations from Ecuador and the consequent weakening of farmer organizations; increasingly variable climate conditions; decreasing soil fertility, after years of heavy pesticide use and continued erosion; the persistent lack of market access; and consistently low farm incomes in comparison with **increasing minimum wages** (coupled with the need to cover the increasing costs of education).<sup>60</sup>

Smallholder farmers who enter the flower sector on a more permanent basis often then convert to dairy farming or the production of relatively resistant monoculture crops (e.g. onions in Cayambe), activities that free them up to leave the farm and work on the plantations during workdays. Many workers on Fairtrade plantations noted that they tended to their cows and plots before and after the plantation workday. One worker added that in many cases they worked harder on the weekends than they did during the week, as they caught up with pending tasks on their farms. The shift towards monoculture has ultimately led to a heavier use of pesticides, while the shift towards dairy farming and monoculture have led to an increasing dependence on supermarket-bought foods, in turn leading to **deteriorating diets** (Breilh, 2007; 2008).

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current study, workshops were held with smallholder farmers in June, 2012. The workshops were intended to comprehend and document the obstacles perceived by farmers to achieving a 'good life [*el buen vivir*].' The primary obstacles identified in three focus groups included limited access to irrigation water, declining soil fertility, rising seed costs, limited market access, high education costs, high healthcare costs, and declining community cohesion (Enríquez, Lyall, and Molina, 2012).

<sup>60</sup> In May, 2013, this workshop was held with the farmers' organization UNOCC in the parish of Cangahua, canton Cayambe, to analyze the state of the organization.

## Annex 2: Analysis of freedom of association

Fairtrade maintains the principle of **Freedom of association & collective bargaining, stating that** ‘workers have the right to join an independent union to collectively negotiate their working conditions’.<sup>61</sup> The following analysis intends to address the limits and possibilities for freedom of association in Fairtrade-certified flower plantations in Ecuador. The analysis is the result of approximately nine months of field research in flower-producing regions in 2008, 2009, 2011, 2012, and 2013, as well as dozens of interviews with industry, government, union, and non-profit representatives in Quito.<sup>62</sup>

The workers, as well as the industry, union, and government representatives interviewed explained that the most common reaction among managements to unionizing attempts on Ecuadorian flower plantations has been to sack the organizers. Workers who have been sacked attest to being blacklisted by the industry. In effect, dozens of unionizing campaigns have been repressed through the sacking organizers and associated workers and such practices have become accepted as common sense among many people associated with the industry.

Workers interviewed often claimed to have seen or heard about blacklists in which the names of workers associated with unionizing movements were listed and in some cases posted by plantation entrances to single out individuals who were not welcome. A representative of the Nucleus of Flower-Growers of Cayambe spoke openly about blacklisting tactics, stating the following:

*The idea of a union is rather contentious; the moment that a union is viewed forming, the first thing [management] does is fire them because it is not in their interest; [unions] ask for more than they can give... Sometimes they fire the leaders... The blacklist does not exist – it is something sensitive, to have something like that in written form; it happens through phone calls; the [representatives] from Human Resources know each other and they communicate. Sometimes [workers] believe that we have the blacklist. They say to me, ‘Miss, please erase me from the blacklist,’ but I tell them that the blacklist doesn’t exist. Better yet, I tell them to go get a recommendation, but it’s a long shot to get one (Interview, Cayambe; July 27, 2011).*

The researcher obtained an official recommendation letter issued by the technical administrator of a plantation stating the following:

*To whom it may concern,*

*Through the following, I certify thatgave his services in the plantation from the 7th of December, 1993, until the 12th of September 1995, a period in which he fulfilled his roles with efficiency and responsibility.*

<sup>61</sup> <http://www.fairtrade.net/hired-labour-standards.html>

<sup>62</sup> In May through September of 2011, the researcher conducted independent research on the issue of freedom of association in the industry. The researcher conducted interviews with a variety of plantation workers from non-Fairtrade-certified plantations and ex flower-sector workers and their families in 18 rural communities in the cantons of Cayambe and Pedro Moncayo, in addition to conducting interviews in the urban center of Cayambe. He also interviewed key individuals associated either with the industry directly or with Ecuadorian unions, including the regional Coordinator of the Ministry of Labour Relations of Cayambe; the president of CEO SL, a national confederation of unions; three representatives of the rural union federation FENACLE; the regional director of FENACLE in Cayambe; the director of the national coordinator of public unions; representatives of local governments in Cayambe; representatives from the regional NGO *Casa Campesina* in Cayambe; a representative of the Flower-Growers’ Nucleus of Cayambe, the regional chamber of flower growers; and administrators and owners of four non-Fairtrade flower plantations in Cayambe. In terms of Fairtrade plantations, in January and March of 2011, the researcher carried out focus groups on Farms A, B, and C as part of a broad Fairtrade impact review during which the state of freedom of association on the plantations was one of many topics addressed. Results from these focus groups were validated with focus groups on Farm A in December 2011, and on Farm B in June 2012.

*Thus, I certify that the above-mentioned gentleman did not participate in the union movement of October 1997.*

*The person interested may make use of the present [document] as he sees fit.*

The worker in question had had difficulty finding work because he had left a plantation that had experienced a unionizing attempt. An administrator at another plantation recommended that he obtain a letter from the previous plantation in order to prove that he had not been involved in the unionizing attempt and was 'safe' to hire.

Several workers interviewed confirmed that it was not out of the ordinary to be obliged by potential employers to obtain such letters,<sup>63</sup> although in some cases recommendation letters are not sufficient. One worker explained that 'in [plantation D] they wanted a union. That's where my grandmother worked. They fired everyone. My mom worked there too and it was the fault of others that they fired her too.' (Interview, Pedro Moncayo, 2011). She reported that neither her grandmother nor her mother were able to find work on another plantation thereafter.

A member of management on a non-certified plantation explained that 'we cannot have unions' because 1) 'the legal system is not sufficiently flexible' to offer benefits and then withdraw them, if needs be, and 2) flower production is highly-competitive and very time-sensitive – 'a strike before Valentine's Day would simply finish off any flower company, leaving unemployment and social problems' (Interview, Cayambe; 2011).

Only two (*Florequisa* and *Jardines de Cayambe*) of the estimated 700-800 flower plantations in the country have unionized workers and those workers have been unionized since the 1980s. That is, despite many efforts, there has been no successful and sustained unionizing attempt in twenty-five years.<sup>64</sup>

It is in this broader context that we examine the limits and possibilities of freedom of association on Fairtrade plantations. Fairtrade's strategic review of 2007/2008 states that 'we shall develop a stronger partnership with independent trade unions that are the best means by which workers can be empowered to negotiate on a more equal footing with their employers' (Fairtrade International, 2012). Managements on the three participating Fairtrade plantations and Fairtrade representatives in Ecuador have been quick to point out the following two points in reply:

1) Workers can attain forms of empowerment without being unionized (which was an explicit motivation for funding the current study)

<sup>63</sup> As of 2012, the most recent attempt at unionizing in the industry was in the company Ecuadorian Flowers, but attempts to investigate the fall-out were unsuccessful given the dispersed nature of the labour force in this particular plantation. According to the coordinator of labour inspectors in Cayambe, the workers legalized a union in Ecuadorian Flowers and, following several weeks, dissolved the union. According to the same coordinator, a company called Berness also experienced a failed unionizing attempt recently, during which the owners closed the farm.

<sup>64</sup> The researcher was able to identify at least four distinct discourses that workers in the flower industry as a whole tended to cite to discard unionizing as a viable option. These four discourses include the following: 1) *Fear of reprisal*: the fear of reprisal from plantation owners and administrators, including dismissal and being placed on a blacklist or, in absence of such a list, not being able to find work on other plantations due to a presumed 'guilt-by-association' with plantations that have experienced unionizing attempts. 2) *Corruption*: the perception of union organizers as corrupt and selfish, seeking their own interests rather than those of the workers, which was often correlated to the experiences of public sector unions in the 1980s and 1990s, but was also correlated to some concrete experiences in the private sector. 3) *Peasant identity*: The need to be perceived as willing to sacrifice for the good of the plantation and the owner(s), reflecting what may be characterized as a peasant rather than a worker identity among many, particularly older workers. 4) *Memory of past failures*: The memory that correlated unionizing attempts with the bankruptcy of several flower plantations, particularly in the years following the dollarization of the Ecuadorian economy in 2000.

2) Freedom of association and unionization are not synonymous –that is, freedom of association implies the liberty to *choose* to associate with workers or not to and under the conditions of one’s choosing (i.e. in workers’ committees, associations, unions, etc.).

Thus, **any analysis of worker empowerment or freedom of association should not assume unionization as a necessary element.** The current study has demonstrated that forms of empowerment are in fact accessible to workers who are not unionized (although it was not possible to analyze whether or not unions would be ‘the best means’ to empowerment). The following analysis is dedicated to understanding freedom of association in the industry, with or without unionization.

According to the International Labour Organization (ILO), ‘freedom of association refers to the right of workers and employers to create and join organisations of their choice freely and without fear of reprisal or interference’ (2011).<sup>65</sup> Plantation managers and Fairtrade representatives in Ecuador have often repeated that workers choose to organize as committees and not to associate with existing external unions. In effect, the workers on Fairtrade plantations are organized into committees, which have received support from their respective managements, and no workers on Fairtrade plantations have associated with an external union nor have they attempted to do so. Accordingly, no Fairtrade workers have been sacked, blacklisted, or threatened for attempting to unionize. The question remaining is whether or not this choice has been ‘free and without fear of reprisal or interference.’

In interviews in March of 2011, management on Farm B observed that ‘there is a lot of corruption in the Ecuadorian unions and they don’t work well. They are politicized. There are no audited unions in Ecuador... Until there are, I will not open my doors to them’ (Interview, Cayambe, 2011). Management on Farm C gave a similar opinion that ‘a union in Europe is very different than a union in Latin America... [Here] they’re very politicized... External unions make me panic.’ (Interview, Latacunga, 2011). A Fairtrade representative offered the opinion that the major rural union in Ecuador, ‘offers nothing’ (Interview, Quito, 2011), whereas another representative stated that if Fairtrade were to promote unionizing actively, it would lose nine plantations from the system (that is, all of the flower plantations that are currently certified in Ecuador).

Despite such objections to existing unions, Fairtrade can readily ensure the conditions of freedom of association for the workforce insofar as workers choose freely to associate in committees and not with external unions.<sup>66</sup> The rest of the analysis is dedicated to observing workers’ thoughts on unions. The following are selected quotations from interviews with individual workers on Farms A, B, and C in early 2011, in which the interviewees touched upon their perceptions of unions:

**Table 16:** Worker perceptions of unions in the flower sector

Under- standing of unions	Farm A quotations	Farm B quotations	Farm C quotations
Lack of knowledge	‘We’ve never had training on unions.’ ‘We don’t have information about unions.’ ‘What is a union?’ ‘How many steps do you	‘[Unionizing] isn’t touched [in training sessions]; I don’t know how they function either.’ ‘One would have to have knowledge about [unions] to have one.’	‘We don’t speak about unions.’ ‘They haven’t spoken to us about unions.’

<sup>65</sup> Freedom of association and the right to collective bargaining are included in the ILO’s Convention on Freedom of Association and Protection of the Right to Organise, 1948 (No 87) and Convention on the Right to Organise and Collective Bargaining (No 98). These are recognized as fundamental rights in the ILO’s 1998 Declaration on the Fundamental Principles and Rights at Work. The right to freedom of association is also characterized as a basic human right in the Universal Declaration of Human Rights.

<sup>66</sup> The Fairtrade Association of Ecuador publishes that its seven flower-producing members guarantee that workers ‘receive fair wages, proper working conditions and freedom to join unions’ ([www.ecuadorfairtrade.com](http://www.ecuadorfairtrade.com)), which, again, is entirely plausible, despite the fact that none of these plantations have unionized workers, insofar as the workers choose **freely** not to unionize.

	<p>have to follow [to form a union]?’          ‘It has never been talked about. I don’t think it is a good idea.’          ‘The unions put an end to the farms, [but] almost nothing is known [about them].’          ‘A union is for when there are abuses in a company.’</p>	<p><i>One explanation with respect to the lack of awareness about unions is that the LO speaks about a wide variety of topics and ‘we can’t remember everything.’</i></p>	
Threat	<p>‘The old practice is that if [a union] is seen forming, the doors are closed’          ‘I am a little afraid [to discuss unions].’          ‘Forming a union would be a threat to the company and we would lose the committee.’</p>		<p>‘They said that we can’t [unionize]... It is prohibited for us... It is harmful for the company.’</p>
Fairtrade and unions are mutually-exclusive	<p>‘We don’t lack anything. We don’t need [a union] because the seal supports us.’          ‘We already have everything.’</p>	<p>‘The Workers’ Committee and a union are the same.’          ‘We have everything.’          ‘The thing is that with the seal that the farm has, it’s as if it were a union because they give us everything.’</p>	<p>‘Thanks to God, they give us everything and, above all, they comply with everything; I see everything [here] as pretty.’</p>

Throughout these interviews on Fairtrade plantations in January and March of 2011, workers expressed a lack of knowledge about unions in terms of their functioning and possible advantages and disadvantages. Three focus groups were carried out on Farm A in December of 2011 to validate this research. Two of the three focus groups (the Workers’ Committee and the Joint Body) agreed with the following statement summarizing previous results: ‘Workers reference their right to negotiate, but know little about labour rights and would like to know more; they know little about unions and it is common that workers perceive unions as a threat to the company. Some workers view unions as an alternative to Fairtrade - that is, they can only have one or the other.’ The third focus group, comprised of workers who were not associated with either the Workers’ Committee or the Joint Body, reported that they had recently received training on workers’ rights and that they did not require any more.

Twelve individual focus group participants were then asked to help construct a hypothesis on worker empowerment and were asked about the importance of various institutions to empowerment, including unions. Most of these participants expressed both a lack of specific knowledge and the belief that unions were not important given that any benefits they might provide would be comparable to what Fairtrade standards and the Workers’ Committee already provided them:

‘I don’t know about unions, [but] here with the benefits that we have, we have almost the same.’  
 ‘To be with unions is to feed the union leaders, to pass the time; for a company like this, I don’t see the reason why – they give us everything.’  
 ‘The woman from the Ministry of Work came recently by invitation – she said that here we have more benefits than in the unions.’  
 ‘We have a lot – we could lose the benefits that we have.’  
 ‘I have no knowledge; my friends have told me that it is better to work without a union because it is very complicated.’

'I have not heard positive things about unions. Once a woman told me that she lost her job for getting involved in a union and now she can't find work anywhere, but I didn't have the opportunity to ask her if it had some benefit.'

Finally, in June of 2012, results were validated with a focus group on Farm B. In terms of unions, the group indicated that recently union organizers from the United States had visited them on the plantation and had commented positively on the Workers' Committee's rotation of leaders and on their benefits (e.g. transport, uniforms, etc.). The members of this focus group noted that they knew that unions required at least 30 people and that 'if one is a member of a union, you have uniforms, shoes, everything -- but the problem is that not all workers are part of the union, and they don't have the same benefits as the rest.' And they concluded with the question, 'what is FENACLE?'

On Farm A, B, and C, workers were both largely unaware of union functions and of the options available to them and they were hesitant to pursue the issue for the sake of not placing at risk the conditions and benefits they perceive under Fairtrade. This fear is not misplaced, as the history of the sector has shown. If Fairtrade workers were to associate with existing unions, they would potentially place at risk the Fairtrade standards and producer support that do not correspond to union action.

## **Recommendations**

In a context in which on the one hand workers have expressed both a lack of knowledge about unions and the desire to maintain Workers' Committees instead of unions, and on the other hand management representatives have expressed resistance to permitting existing unions to organize workers, Fairtrade might take the following steps to promote freedom of association:

- 1) Provide workers with clearer training on labour rights, options for organizing, and the differences between Workers' Committees and unions so that workers can **decide freely** (with full knowledge of what unions are; their advantages and disadvantages).
- 2) Actively develop options so that if workers should decide freely to pursue unionization, that decision is **not subject to reprisal or interference**, including the possible withdrawal of plantations from the Fairtrade system (the worst of all scenarios, according to workers). *For example, management representatives express resistance to existing external unions, suggesting that they might be more willing to accept independently-formed unions.*

**ADDENDUM: RESPONSES TO THE REPORT SUBMITTED BY WORKERS, PLANTATION MANAGEMENT,  
AND THE WORKSHOP FACILITATOR**

As part of the process of finalising this report, the commissioning agencies invited worker and management representatives from the participating plantations to comment on the report and its findings. Fairtrade contacted the General Managers and the Fairtrade Officers of the participating plantations to agree the process for distributing the draft study and collecting feedback. The workshop facilitator took a hard copy of the full draft report - addressed to the chairs of the committees participating in the workshop - to each farm: on farms A and B to the Fairtrade Officer; on farm C to the General Manager.

Workers were not asked to respond to any specific questions in relation to the report but to respond on any aspect that they considered to be important. It was also left open to the management to decide whether and how they would choose to comment. We suggested that readers might focus on sections 4-6 of the report if they had limited time to read it.

This process of commenting on the report was not accompanied by either the research team or any staff from Fairtrade International. Some of the responses indicate that certain aspects of the report may not have been fully understood by the readers, which could perhaps have been avoided if this process had been accompanied.

The workers' responses were collected by the workshop facilitator (either electronically or on paper) who also followed up with the Fairtrade officers by phone where workers did not provide a feedback within two weeks of receiving the report. We received responses from workers and worker representatives from two of the three participating plantations, and a management response from one of the participating plantations. The responses were made in Spanish and have been translated into English and reproduced in sections 1, 2 and 3 below. Any future contributions will be added to the report on receipt.

We acknowledge that these responses are the opinions of a subset of participants and interest groups, and that they do not constitute research in themselves. Nevertheless we have chosen to publish their responses as part of efforts to ensure that research participants have an opportunity to comment on the research projects that involve them. We will consider for future projects how to develop this aspect of the research process further so that it is more robust.

The workshop facilitator also submitted comments on the report. The commissioning agencies and the report author felt that these comments offered an insightful additional contribution to understanding the debates and issues raised by the report. The workshop facilitator's comments have been translated into English and are reproduced in section 4 of this Addendum.

## **1. Responses from workers on Farm B**

### Worker #1:

[Referring to the discussions in the report about the prioritization of production demands over the requirements and principles of the Fairtrade system and/or labour rights, due to new administrators and supervisors with little or scarce knowledge of Fairtrade.]

Worker #1 mentions that he has personally confronted this situation and has had problems related with his studies. He feels that there has not been sufficient understanding with respect to his situation and that he has [had to] prioritize the work of producing flowers. He points out that with the Fairtrade Premium a project has been carried out that supports workers' studies.

Worker #2:

[Referring to Table 10: Farm A. Premium investments (2007-2011)]

Worker #2 points out that the workers have benefited in that period from Fairtrade Premium projects, even though there have existed fluctuations and despite the reduction of the Fairtrade Premium in 2011. The planning and execution of projects has not been affected.

In reference to Table 11: Farm B. Fairtrade Premium Investments (2007-2011).

Worker #2 points out that the greatest quantity of Fairtrade Premium used in loan funds for the workers is on the project for accessing and improving housing.

Worker #3:

[Referring to the explanation given for the use of Fairtrade Premium funds on Farm C, whose increase has meant the possibility of saving \$280,000 USD destined for buying lands.]

Worker #3 mentions and points out that on her plantation, land has not been purchased for each worker, but there has existed a project geared towards improving and accessing housing in which people have access to loans at 1 per cent interest. She mentions that the project has an effect on the satisfaction of housing needs.

Worker #4:

[Referring to R4, the workers achieve economic security with respect to the 'basic family basket' defined by the government at \$602 USD.]

This worker points out that clarity is important about what the annual dignified salary means and that the dignified salary is not the basic basket. It is important to specify the composition of the dignified salary for analysis.

[Referring to R5, the workers increase their independent incomes and/or savings with respect to the use of productive loans destined for agriculture.]

The worker does not understand the nature of the reflection and feels that the use of the Fairtrade Premium in productive loans as a line of credit ought to take place. The worker mentions that he or she does not understand that valorization and that Fairtrade Premium projects exist that achieve that result.

Worker #5:

Worker #5 clarifies three elements in the document -- first, with respect to the rapid increase in the work requirements in recent years accompanied by mistreatment from supervisors; second, the fact that training sessions are less frequent and less participatory; and finally the limited freedom that workers feel to express their worries in assemblies.

Worker #5 clarifies that the situations described above do not correspond to the reality in Farm B. She mentions that maltreatment does not exist. In terms of the training sessions, she clarifies that they are carried out frequently and that they are very dynamic. Additionally, she points out that there exists confidentiality in the area of Human Resources and that if serious situations present themselves, such as those mentioned in the study, there exists a Committee of Complaints that is responsible for seeking solutions and resolving conflicts.

Worker #6:

[Referring to the recommendations made for the Joint Body in terms of investment for ensuring markets in the United States and diversifying national markets for maintaining the growth of Fairtrade Premium funds.]

Worker #6 asks with respect to this recommendation, 'who would be the [responsible] actor and who would manage this?'

[Referring to the researcher's recommendation on the provision of plantation financial information to the workers.]

Worker #6 considers this to be a risk and points out the importance of clarifying what type of information the researcher is referring to and of detailing the responsibilities of the clients.

Worker #7:

[Referring to the training sessions and their low frequency and participation level.]

Worker #7 considers that the Workers' Committee must be included in all trainings. He feels that more training sessions are necessary.

## **2. Response from representatives of workers' organizations on Farm C**

*This joint response was submitted by the President of the Workers' Committee on Farm C, the President of the Joint Body, and a representative of the Joint Body Surveillance Committee.*

In Farm C trust and mutual respect exist between workers and the management of the company and it is for this [reason] that during various days we were permitted to meet during working hours and in the farm facilities to read, understand, and analyze this document.

Since Farm C began in the Fairtrade system, formal structures of worker representation were established and structured in such a way that there exist clear channels [that are] accessible to watch over the workers' rights and over the correct use of the Fairtrade Premium.

As men and women of the rural sector, we have witnessed and every day we witness more our capacity to decide our present and our future with responsibility.

The decisions that we make in the Workers' Committee and in the Joint Body are to benefit all workers, their families, and their communities.

This capacity to decide responsibly which influences our company, our lives, the lives of our families, and the lives of our communities is a testimony to the empowerment that we have achieved with the maturity of our system and the structures of Fairtrade.

During this long path, we have been accompanied by leaders who have developed skills, but above all who possessed values and were honest.

Without values, skills are not worth anything.

These leaders who have been elected in democratic processes have expressed their ideas and worries in the work space with confidence and have achieved collective negotiations with the general management of the company that have been expressed for all workers in [terms of] benefits that have been maintained and have improved in time.

These agreements are signed and registered in the books of acts that were given to the researcher and are found in the 'Workers' Manual' that each employee of the company receives on the first day of work for reference.

We have developed our voice, we have achieved collective influence, we have been able to improve our quality of life, we have been able to have the product that we sell be appreciated in international markets as recognition of our daily work, we have achieved an environment of trust and mutual respect with administrators and owners of the company.

Beyond our economic independence is developing ourselves as human beings and developing healthy spaces for new work colleagues.

Our permanent contact with other Workers' Committees, Joint Bodies, union representatives, and representatives of the Fairtrade system has allowed us to know that the actions and thoughts of our formal structures are correct.

The study is limited due to time and the researcher's knowledge of our reality.

We hope that our analysis can correct the study's deviations and help to adjust the researcher's lack of precision.

There exist very positive points in the study that we want to highlight:

- Invest to ensure markets in the United States;
- Improve support and advice for workers and administrators through the Liaison Officer. (Before we had effective support from [the previous liaison officer].);
- Improve workers' level of understanding of their rights and obligations;
- Carry out exchanges between Joint Bodies and Workers' Committees.

### 3. Response from Farm C General Manager

Given that the study is long... I am going to refer only to certain specific themes with which I am not in agreement:

- 1) The author of the study cites some references of other authors and by only citing the texts converts many themes into facts and makes biased conclusions and positions. For example, the footnote of page 10 of a supposed study of FLACSO says that there exists a generalized resistance among workers to talking about labour conditions on flower plantations... an issue that is not true on Farm C. See also footnotes in Annex 2.
- 2) The author concludes many times that the ideal or complete empowerment consists in independence as a central objective. That is, the greatest personal aspiration of a flower plantation worker is to leave the industry... This doesn't make sense! All people have personal aspirations and [they are] normally to overcome ourselves. This does not mean to say that complete empowerment would be to stop doing what we do. It seems to me an affront that he should make this conclusion. Among other mistakes, by concluding this he is suggesting that this is an industry that is so bad for being unjust that nobody wants to work in it.
- 3) The author mentions that several challenges are:
  - o Some administrators and supervisors did not respect the workers (page 4 and Section 4.1.3);
  - o The rapid increases in work loads have been accompanied by mistreatment by the supervisors (page 4 and Section 4.1.3);
  - o The principle of confidentiality was not respected (page 4 and Section 4.1.3)All of these challenges proposed as such are false for Farm C.
- 4) The author does not describe in a real way the calculation of the salary and in general the income that the workers perceive, given that mentioning only the salary and not its components is to fall short of the truth.

The salary is 318 [USD] monthly, but in addition there exists the annual thirteenth salary, the fourteenth salary, the reserve funds, the paternal affiliation, etc.

There exists an additional obligatory and regulated monthly component that is at least 35 per cent higher than the basic salary. To this, social security and other benefits must be added. This issue is referred to e.g. in section 5.2.

On page 51 in R4 important errors are committed when it is said that only one plantation has an increase of \$5 above the minimum wage (1.6 per cent). This data is not only erroneous, but also to my judgement totally misinformed or with bad intention. I would like to suggest that a comparison of income be done with workers of our principal competitors in Europe - that is, with the African workers. How much does the labour represent in the cost of production of an American stem versus the African countries? (In Kenya the basic salary does not reach \$70 per month for an unspecialized worker.)

- 5) The author asserts that FENACLE has not been able to expand in the flower sector due to the continual repression of organizing attempts, as well as the use of blacklisting tactics. I can assert that this is absolutely false for the case of Farm C and I am sure that the same [is true] for the other companies in the study.

There would be numerous reasons that explain why FENACLE has not entered the sector and I don't feel able to go deeper into this topic.

- 6) The author describes the commercial numbers of Fairtrade International in section 2.1.2. He speaks of increases of 12 per cent in sales and several billion dollars and stems, but he forgets to cite the numbers relative to the sale of Fairtrade roses from Ecuador that do not have the same numbers or tendencies, but rather are the opposite. It is important that he locates the context objectively.
- 7) In section 2.2.2 the author states that the industry has been characterized by injustices and negative impacts such as the use of chemicals banned in other countries that cause illness directly [to workers] and to their offspring, harassment and sexual abuses of female workers, child labour, concentration of hydric resources, etc. This could not be further from the truth about the industry and in particular about the flower companies about which empowerment is studied. On Farm C the things that the author describes have never been done.

On pages 33-34 it is suggested that to increase the Fairtrade Premium funds we must stop depending on the USA for the issue of the ATPDA. This is partially correct, but it is necessary to add that there is a need to open European markets (Swiss, among others) and create a just opportunity to sell flowers from America given that the European supermarkets buy the majority from Africa and that some buyers even have conflicts since they have their own farms in Africa and Ecuador.

The author says in Table 12 R7 that Farm C did not allow access to the agreements negotiated with the workers. I must say to be truthful that I never knew about this important request, but that in addition the author could have tried a little harder and could have obtained this information based on the annual Fairtrade International audits, but without a doubt it was easiest not to insist on obtaining this information and to place in doubt the good faith of Farm C.

- 8) The author says in Table 12 R9 that there are no agreements or investments for workers to represent their interests outside of the plantations. This issue also turns out to be false, though he would not have a reason to know a worker from a Fairtrade flower plantation in Ecuador has been elected to the board of the CLAC [the Fairtrade producer network in Latin America], representing all workers in Latin America. It is also biased to say that there are no agreements, investments, or decisions about this.
- 9) In Table 16 the author cites a worker on Farm C who says, 'we don't speak about unions; they haven't spoken to us about unions'; 'they said that we can't [unionize] it is prohibited for us -- it is harmful for the company.' I don't doubt that this was mentioned. However I can demonstrate that on Farm C we have given training talks on labour rights, among others, collective negotiation and unionization, talks carried out by independent entities or authorities from the labour branch and that in each we have evidence of the issues covered and the attendance of personnel. This issue results in the final recommendation on page 69.

#### 4. Comments on the study from the workshop facilitator

The purpose of this response is to offer insights to complement the report 'Assessing the impacts of Fairtrade on Worker-Defined Forms of Empowerment on Ecuadorian Flower Plantations'. The report offers a very well analyzed study and presents the situation of the Fairtrade-certified plantations in a regional and national context. This allows [the reader] to identify changes and challenges in external factors that have effects on the empowerment process of the workers on Fairtrade-certified plantations.

With respect to the workshops carried out to generate the collective construction of the definition of empowerment of workers in the Fairtrade system, I would like to add the following comments.

The process of reflection started by considering empowerment as a process that takes place at the personal level; within families; at the community level; and in wider society. This process enables people to take control over their lives, with effects on the expansion of their boundaries and limitations. It is a result of changing power relations in diverse dimensions of life, and leads to people widening their choices, beginning with the discovery or re-discovery of their dignity; their power for transformation; the role that they play in society; and the commitments and responsibilities that they must assume in this process.

By introducing the concept of *control*, we were attempting to evaluate how workers viewed their level of control over the following:

1. Material goods: beginning with control over one's own body, access to land, water, financial resources such as money, and access to work itself;
2. Intellectual resources: control over knowledge, access to information and ideas;
3. Ideology: control over the beliefs, the values that define society, and the ways in which the social, political, and economic surroundings function.

The workers are experiencing a complex process which requires them to confront different power relations. This starts with a confrontation of patriarchal relations which is complex in a scenario that is predominantly characterized by the presence of female workers. It then traverses the personal, the family, work, the community, and the social sphere.

Whereas the study makes a clear description of the different elements that configure the construction of empowerment in the workers as individuals, I believe that it is also important to highlight the importance of the **collective** construction of this process.

The importance of the General Assembly of Workers is mentioned as a living and active space, but there is not enough reflection on its process and its transformation in the last ten years, which has resulted in a journey from individual views and interests to collective ones.

When we take the initial conceptual proposal and integrate the concept of *control* into it, we can identify changes with respect to collective beliefs about individual and collective dynamics that the workers maintain in the workplace. These have generated changes in relations between workers. New workers joining the plantation express their surprise when they learn of the existence of the Workers' Assembly.

It is also important to show how over the past ten years women have been able to expand their options to assume leadership and representation within the Assembly. If we want to analyse changes in power relations as a result of empowerment processes of those with less control, it is important to recognize that men and women workers do not necessarily experience this in the same way, just by virtue of being workers.

Because of the composition of the labour force, from the start women assumed the challenge of being part of the Workers' Committee, the Joint Body, and special committees such as committees on sexual harassment. At first, women occupied spaces that have been traditionally assigned to women, such as

secretaries and committee members. Now women are presiding over committees and commissions in thoughtful and considered ways, in addition to identifying issues that are of interest to women.

Thus, returning to the concept of control, we can say that there have been changes with respect to the collective beliefs about the political role that the women can assume in spaces of collective worker representation. Increasing women's access to information and training has led to the expansion of their own boundaries. This has also meant greater control over material resources and over property, which is clear from the aspirations of workers expressed during the study.

Therefore, from my point of view, one must consider indicators that are specific to the participation of women, minorities, and vulnerable groups in spaces of representation and power in which they have not had much participation historically.

Another power relation -- that between employer and worker - has evidently changed during the last decade in terms of control. In the relationship between management and workers, the workers have gained the space to have a voice that influences their control over their work, including how it is developed, how it is valued, and the conditions in which it is developed. The agreements achieved [that are detailed] in the study demonstrate how workers have been able to influence the workplace at various levels. This is essentially achieved through the understanding of work as a right.

Having a voice also means having control over information and knowledge and their uses. The importance of accessing and controlling intellectual resources in the process of empowerment needs to be made visible.

With respect to empowerment, it is important to point out that while progress is important, this must be viewed as an ongoing process. Fairtrade has been operating on flower plantations for less than ten years, and is not present on every plantation. Empowerment processes can support collective action among Fairtrade workers, and this has the potential to extend beyond the certified plantations. Fairtrade has not yet fully achieved this collective influence, and that is what still needs to be built.

Regarding the role of the Fairtrade Premium, it is important to emphasize the possibility of greater control over material resources and the possibility that this access to property, to knowledge about health - which in another scenario would be much more difficult - has enabled workers to confront other power relations beyond those that exist on the plantations, as was mentioned in the workshops. In particular, greater control over resources can enable workers to confront power relations that derive from control over family income, and which create dependency on landlords, banks, and loansharks – and the associated rights violations that can result.

Empowerment should also be considered in relation to inter-generational changes in ways in which power relations are socially constructed. This in turn means that workers' children have the possibility to choose not to reproduce historic power relations.

Increased [access to] property has had a different impact on women who are heads of households, and on their empowerment processes. Since they are an important population on flower plantations, this can be considered as a bonus. Many of these women see themselves retiring in their workplaces.

Because of the changes that have taken place with respect to control in the workplace, plantation workers do not aspire to move to another job unless it offers at least as much as the [Fairtrade] plantation is offering both in terms of economic benefits and of personal development. In this scenario, when workers consider their plans and aspirations for the future, economic independence ends up being the best option. This explains for me the stability that the [Fairtrade] workers and - above all - the female workers, have in the Fairtrade-certified plantations.

The Fairtrade Premium has not been divided [into payments to individuals]. However, many of the Fairtrade Premium projects which are defined as collective projects do have direct impacts on individuals, for

example in improved purchasing and savings capacities, capacities to access property, and control over property. This means that an appropriate administration of the Fairtrade Premium turns into better capacities for *control* and the expansion of workers' personal, family, and social boundaries. This capacity to think collectively, to control resources, and to use resources to have an important collective impact, could be an element that acts on future empowerment, even independently of the Fairtrade Premium.

It is important to add that in the study the workers demonstrated their worries in the workshops with respect to what the separation of Transfair USA (now Fair Trade USA) from Fairtrade International would mean in terms of Fairtrade Premium funds. [The US market] has been the most important source of Fairtrade Premium funds for one of the three plantations that participated in the study. Whereas the ATPDA is in effect an issue for the [entire flowers] sector, the workers demonstrated worries due to the lack of information they have and the potential challenges that they might have to confront in the administration of the Fairtrade Premium and the reduced flow of Fairtrade Premium.

Finally, I believe that the analysis [in chapter 5] of the flow of Fairtrade Premium funds *per capita* and salary increases ought to be more precise. In this analysis, the author uses data from 2009, 2010, and 2010 for the flow of the Fairtrade Premium, from 2011 for the number of workers, and from 2013 for the minimum salary. It is important to be objective in this analysis, and to analyse the real *per capita* benefits of the Fairtrade Premium investment in terms of purchasing capacity, savings capacity, investment with respect to education, healthcare, and access to resources -- in short, *control* over material resources.