



BLOOMING BACK BETTER

Towards living wages and resilience
in the flower industry





Margaret Wambui works at Panda Flowers Limited, a large commercial farm in Naivasha, Kenya

INTRODUCTION

The flower and plant industry is a hugely important source of hundreds of thousands of jobs in developing countries, yet many flower workers are poorly paid and conditions are tough. The already low wages earned by workers, lack of a social safety net, chronic food insecurity, and poor quality of water and sanitation did not set these communities up well to deal with the problems caused by the onset of a global pandemic. Without living wages, many workers lacked the savings required to bolster their resilience in the face of COVID-19 in 2020.

This report summarises the challenges facing workers in the flower and plant industry, the impact of the pandemic, the role Fairtrade is playing to address both, and the ways in which we believe the flower industry and governments can work together to build back fairer. We look particularly closely at the importance of living wages.

Fairtrade began certifying flowers in 2001, and plants such as poinsettias since 2014. There are almost 70,000 people working on Fairtrade certified estates, in countries including Kenya, Ethiopia, Uganda, Tanzania, Zimbabwe, Ecuador and Sri Lanka. We are committed to achieving living wages for workers on Fairtrade plantations across the supply chains we certify, including flowers and plants. We have introduced a floor wage that ensures wages are above the World Bank poverty line, and has caused wages to increase by almost 130 percent in Uganda, 75 percent in Ethiopia, and almost 30 percent in Tanzania. The Fairtrade Premium also helps workers in a number of ways to boost their livelihoods.

When COVID-19 hit, the Fairtrade system allowed flower farms to respond better to the crisis than non-certified farms. We immediately adapted the Fairtrade Premium to allow it to be spent rapidly on direct cash distributions to workers, for PPE supplies or to distribute food. In addition, flower farms were a large beneficiary of the Fairtrade Producer Relief and Resilience Funds which were launched in May 2020 and are now more than €15 million in size, thanks to support from donors.

As proud as we are of our impact, Fairtrade certified flower and plant farms only make up a small proportion of the flower and plant sector in developing countries. Building a fairer and more resilient flower industry will require collective action, including higher prices being paid to flower farms for their products, and action by governments and shoppers too. This report outlines a number of recommendations for discussion on how we suggest the flower industry can now move forward.

We recommend that the UK flower industry agrees a multi-stakeholder initiative aimed at achieving living wages in flowers, with donor support from the UK and others. This should include agreeing to pay a floor wage that is above the World Bank poverty line, a pathway to a living wage and supporting flower farms with programmes that improve workers' incomes and build resilience against future shocks.

We urge all flower farms and developing country governments to guarantee workers' rights, including ensuring fair and just remuneration, freedom of association and collective bargaining. Governments should also introduce an appropriately benchmarked national minimum wage for the horticultural sector, where not already in place.

Last but not least, we appeal to retailers and traders to commit to sourcing more Fairtrade flowers, and to UK shoppers to keep buying them – this support has helped workers get through some extremely difficult times and is now more important than ever.

The pandemic has exposed just how vulnerable many of the world's agricultural supply chains are to external shocks. It has also underlined just how precarious the livelihoods are of many of the world's farmers and workers. Living wages will not only allow workers and their families to live a life of dignity, it will also allow them to build up their own savings, helping them to be more resilient to future crises. If flower farms have a better share of the value in the supply chain, they will be better able to respond quickly with targeted help for their workers, too.

CHAPTER 1 – WILTING WORRIES

The flower and plant industry is a hugely important source of hundreds of thousands of jobs in developing countries. Yet as with too many global supply chains, wages are often too low and conditions tough. Globally, the export of cut flowers was worth over £6.75 billion in 2018. The Netherlands accounts for most of these exports, but it is worth a significant amount in a number of countries in which Fairtrade certifies products, including Kenya (£462m), Ethiopia (£174m), Uganda (£9.7m), Tanzania (£14.6m), and Ecuador (£639m). In 2018, the top importers of cut flowers were the United States (£1.37bn), Germany (£960m), the UK (£691m), the Netherlands (£637m), and Russia (£415.5m).¹



A worker at
Karen Roses, Kenya

Despite the large sums involved, the prices paid to flower farms for their products are very low, and downward pressure on prices has been intensifying in recent years. This in turn means that wages on flower farms are too low, and well below a living wage. In fact, where there are no collective agreements or minimum wages in place, wages can fall below poverty lines.²

In Kenya, in the flower farms in the Lake Naivasha region, the wages of flower farm workers decreased in real terms between 2004 and 2014, putting considerable strain on flower farm workers.³ The average wage for Kenyan flower farm workers in 2019, including in-kind benefits, was estimated to be KSh 14,176 per month⁴ (£78⁵) – well below the estimated living wage for flower workers of 26,546 (£211) per month.⁶

In Ethiopia, meanwhile, the wages of flower farm workers are extremely low, estimated to be between Birr 1,058 and Birr 1,233 (£33 and £39) per month including common cash allowances and values for in-kind benefits. This is similar to the World Bank extreme poverty line wage, and so low that workers and their families cannot afford a basic nutritious diet even if this were their only expense. Not surprisingly, many Ethiopian flower farm workers run out of money for food towards the end of the month and often have to resort to buying food on credit at that time.⁷ Wages are 2.5-3 times lower than the estimated gross living wage of Birr 3,367 (£106) per month.⁸

Most flower and plant farms in East Africa are closer to international airports, for export purposes, and clustered close to large lakes due to the water required for their cultivation. As such, most workers in the farms migrated to work there, and the urban areas that have built up around these farms are almost entirely unplanned. Workers in both Kenya and Ethiopia often live in slums with poor housing – typically one small room in a small terraced house, which they rent.⁹ The rooms often lack proper ventilation, a health and safety hazard since most cooking is done inside on small open charcoal stoves.

¹ Observatory of Economic Complexity, trade data of Cut Flowers (2018) <https://oec.world/en/profile/hs92/20603>. Yearly average currency exchange rates are used to approximate values to GBP, here and throughout this report using the following site: <https://www.ofx.com/en-gb/forex-news/historical-exchange-rates/yearly-average-rates>

² <https://www.idhsustainabletrade.com/publication/east-africa-flower-industry>

³ Anker, R., and Anker, M., *Living Wage for Kenya with Focus on Fresh Flower Farm area near Lake Naivasha* (2014) https://www.globallivingwage.org/wp-content/uploads/2018/05/LivingWageReport_ExecutiveSummary_non-metropolitan-urban-Kenya.pdf

⁴ Fairtrade International estimate using the IDH Salary Matrix tool

⁵ Using an exchange rate of 100.55 KSh = \$1USD, the average for the three-month period that brackets March 2019. Since exchange rate data are not available from the International Monetary Fund's (IMF) archive of exchange rates, the Anker report used data from the Kenyan Central Bank. Exchange rate fluctuations were small over the selected period.

⁶ Anker, R., and Anker, M., *Living Wage Update: March 2019 Non-Metropolitan Urban Kenya, Lake Naivasha* (2019) https://www.globallivingwage.org/wp-content/uploads/2019/07/Update-Report_Lake-Naivasha_2019.pdf The gross living wage, including in-kind benefits, which also takes into account income taxes and mandatory payroll deductions, is KSh 26,546 (US\$ 269 or £211) per month for March 2019.

⁷ Ayelech Tiruwha Melese, *Living Wage Report, Non-Metropolitan Urban Ethiopia, Ziway Region* (2015) https://www.idhsustainabletrade.com/uploaded/2018/08/Ethiopia_Living_Wage_Benchmark_Report_2015.pdf

⁸ Ibid.

⁹ Ibid.

There is also a lack of basic infrastructure, with almost no paved roads, and no street lights, making it dangerous to walk from the main road to one's house at night. The areas lack sustainable and affordable water supplies and sanitation, or adequate waste collection.¹⁰

And then the COVID-19 crisis hit

The low wages earned by workers, their lack of a social safety net, their food insecurity, and the poor quality of water and sanitation, did not set these communities up well to deal with the problems caused by the onset of a global pandemic. Without living wages, many workers lacked the savings required to bolster their resilience in the face of COVID-19 in 2020.

East African flower sales were hit hard. Since early March, as the pandemic swept Europe and led to nationwide lockdowns, retailers reduced their flower orders to prioritise basic goods, flights were grounded and governments banned public gatherings, including weddings, and limited funerals.

The falling sales took their toll on a sector already operating on very narrow margins. Export costs increased due to high airfreight costs following the collapse of flights (passenger planes were cancelled and cargo planes diverted to more lucrative routes). With terrible timing, adverse rains caused the spread of a fungus called Botrytis, at a time when it was impossible to tend to flowers to stem the spread. In March, it was estimated that \$300,000 (around £235,000) was being lost each day¹¹ and 50 metric tonnes of flowers were dumped daily. Flowers are a perishable, fresh product and with no storage options the immediate loss of sales saw vast quantities of blooms destroyed across the supply chain.

Fairtrade Africa estimate that as many as 90 percent of all workers in Kenya were affected through reduced pay, unpaid leave or loss of jobs. The impact was felt across the country, where flowers employ 150,000 people directly and an estimated two million indirectly. Women, who make up around half of the workforce, bore the brunt of the crisis. Schools and childcare facilities closed, forcing many women to take unpaid leave to look after their children. Flower workers are particularly vulnerable to acute food insecurity as earnings are low. A particularly vulnerable group are migrant labourers, who live a hand-to-mouth existence; without wages and with no savings, they suddenly had no way of paying for food. While earnings crashed, food prices actually inflated, and together with the lack of school meals, people struggled to feed their families.

COVID-19 HAS SET US ALL BACK IN COUNTLESS WAYS. BUT FOR GIRLS IN CRISIS ACROSS THE WORLD, IT'S DONE MORE THAN JUST SET THEM BACK. IT'S UNRAVELLING DECADES OF PROGRESS.

Worker at a flower farm in Kenya

WE WOULD NORMALLY EXPECT TO SHIP 2.4 MILLION STEMS IN MARCH, BUT WE COULD ONLY SEND 1.2 MILLION – A 50 PERCENT DECREASE. JUST YESTERDAY WE HAD TO DESTROY A WHOLE CONTAINER OF ROSES BECAUSE WE COULDN'T SHIP THEM.

WE'VE GOT LESS THAN A THIRD OF OUR LABOURERS WORKING, WE'VE HAD TO SEND THE REST HOME AS THERE IS NOTHING FOR THEM TO DO.

WE HAVE HAD TO CUT THE NUMBER OF CLINIC APPOINTMENTS BY HALF BECAUSE WE DON'T HAVE ENOUGH PERSONAL PROTECTION EQUIPMENT (PPE) TO OPERATE SOCIAL DISTANCING EFFECTIVELY BETWEEN MEDICAL STAFF AND PATIENTS.

Dennis Gakuru, Fairtrade Officer and HR Assistant at the Fairtrade certified Valentine Growers in Kiambu, Kenya, April 2020

In addition to these material impacts, the workers also shared the severe mental health impact of the crisis, including financial stress, parental worries (including about lost schooling impacting their children's life chances), uncertainty about the future and extreme depression. There were reports too of a growing stigma towards those who returned to rural communities from the flower farms, where they were assumed to be carriers of the disease.

Providing adequate PPE and other essentials to workers was a huge challenge. As late as June 2020, farms were still not able to replenish some of the sanitary essentials such as face masks on time. Even though the hygiene essentials were distributed to workers, the same cannot be extended to their families.

¹⁰ Anker, R., and Anker, M., *Living Wage for Kenya with Focus on Fresh Flower Farm area near Lake Naivasha* (2014) https://www.globallivingwage.org/wp-content/uploads/2018/05/LivingWageReport_ExecutiveSummary_non-metropolitan-urban-Kenya.pdf

¹¹ Union Fleurs. 24 March 2020. 'STATEMENT: Situation of the ornamental sector – COVID-19 crisis' https://unionfleurs.org/news_events/statement-situation-of-the-ornamental-sector-covid-19-crisis Accessed 30 March 2020.



Leah Wanjiru, a worker at the Fairtrade certified Valentine Growers in Kiambu, Kenya

THERE IS A FEAR OF GOVERNMENT MEASURES... IN THE CASE OF LOCKDOWN, MANY KENYANS MAY SUCCUMB TO HUNGER INSTEAD OF COVID-19... WE ARE AFRAID OF THE GROWING NUMBER OF INFECTED CASES IN THE COUNTRY... EVERY DAY WE WAKE UP WE ARE NOT SURE OF THE DAY AHEAD.

Grace Otieno, a worker on a Fairtrade certified farm in the Naivasha region of Kenya, April 2020

Grace and her husband were still out working, while also following social distancing measures. Her husband lost his job, but to support the family he had begun catching fish, which he hoped to sell at their local market.

The impact was somewhat less acute in Ethiopia, where the government-owned airline was able to continue exports throughout the crisis. In Uganda and Tanzania, although the flower sectors are smaller, the impact was felt strongly on the farms with loss of sales and jobs.

Meanwhile in Ecuador, the situation has also been very challenging, with similar loss of sales (around a 70-80 percent decrease) and issues accessing freight. Our colleagues at the CLAC (the Central and Latin American Fairtrade producer network) reported a loss of jobs across the sector, which could be as high as 30,000.

In East Africa, exports started to pick up in May 2020, rising gradually to 65 percent from only 20 percent in April.¹² They were projected to be at 80 percent by the end of 2020.¹³ However, concerns remain around the second wave and future cases, as medical centres are quick to reach capacity. In Europe, a spike in cases can lead to market closures, including in France where flower sales were banned for several weeks in autumn 2020.

And where workers have returned to flower farms, there have had to be limits on the number of workers on the farms at any one time for social distancing reasons. This means that many of those workers who did return to work, only did so on a part-time basis. This also hurt production numbers, meaning these farms struggled to meet demand for their flowers.

Furthermore, flower farms have continued to face considerable increases in cost, including the costs associated with providing adequate PPE and other essentials. And while airfreight costs came down as the year progressed as more flights became available, it was still more expensive to transport flowers than it was pre-COVID. Airfreight costs will remain high until the passenger flights between Kenya and Europe return to normal capacity.

Farms in East Africa are preparing to get back to full production ahead of Valentine's Day 2021 – but that still means almost a year's worth of damage to the sector.

¹² <https://www.bloomberg.com/news/articles/2020-05-22/lockdown-easing-in-europe-revives-kenyan-flower-industry>

¹³ http://www.xinhuanet.com/english/2020-05/27/c_139092465.htm

CHAPTER 2 – FAIRTRADE’S BLOSSOMING IMPACT

The pandemic has reaffirmed the need to address the structural causes of poverty in the flower and plant industry. Fairtrade is committed to doing so, and has taken a number of steps over the last few years to empower workers and improve their lives, and make progress towards paying living wages.

Fairtrade began certifying flowers in 2001 – and plants since 2014 – and Fairtrade flowers are sold by most major supermarkets and online florists in the UK. We are well-known for our Fairtrade roses, but we also offer a variety of other stems, from lilies and carnations to gypsophila and gerbera, as well as poinsettias for Christmas.

Before the pandemic, over 825 million stems were sold on Fairtrade terms (enough to make more than 68 million people’s day with a bouquet), generating €6.7m in Fairtrade Premium¹⁴ – and UK sales generated £1.3m of this. There are almost 70,000 people working on Fairtrade certified estates, in countries including Kenya, Ethiopia, Uganda, Tanzania, Zimbabwe, Ecuador and Sri Lanka.

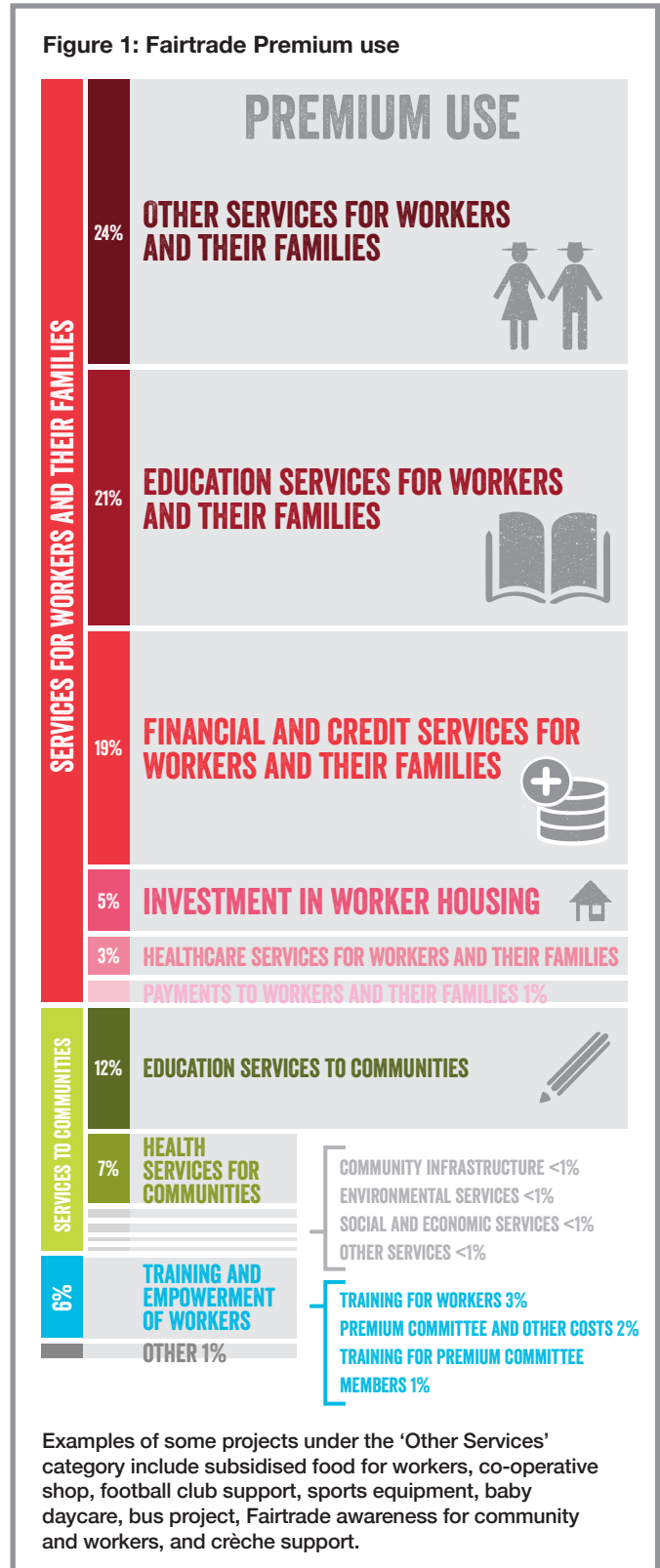
While flowers and plants are one of the few Fairtrade products that do not have a Fairtrade Minimum Price, the lack of a Minimum Price is balanced with a higher **Fairtrade Premium** – one of the highest of all Fairtrade products. Workers can use these Premium payments to invest in education, community infrastructure, workers’ rights training, and other projects such as diversifying their income (see figure 1). They also have the option to decide to use part of it as cash payments, equally distributed among all workers.

Because most flowers and plants are grown on large estates, most people working on them are hired labourers. Fairtrade’s **Standard for Hired Labour**¹⁵ is based on International Labour Organisation (ILO) conventions and recommendations, and establishes criteria that aim to improve working conditions on plantations and give workers a stronger voice with plantation management.

It requires that **wages** be equal or above any collective bargaining agreement, the regional average, or the minimum wage, whatever is higher. In addition, wages must be at or above a **minimum floor wage**, which ensures daily cash wages do not fall below the World Bank’s global poverty line (US\$1.9 per day in purchasing power parity terms, or around £1.50). Flowers and Plants is the first Fairtrade Standard to introduce this, a change made in 2017.¹⁶

¹⁴ These figures will be included in the soon-to-be Fairtrade 2020 Monitoring Report. Please refer to the Technical Note Monitoring Report 2020 for more information about data sources and methodology. Calculations used 1 football pitch = 0.82 ha. Average rose bouquet = 8-12 stems. 12 stems per bouquet used. 2020 release covers 2017/2018 data collected in 2019.

Figure 1: Fairtrade Premium use



¹⁵ <https://www.fairtrade.net/standards/our-standards/hired-labour-standards.html>

¹⁶ <https://www.fairtrade.net/standard/hl-flowers-and-plants>

Trade union rights receive strong protection under the Standard for Hired Labour. Employers must sign a Freedom of Association protocol prior to certification, and must publicly display a Right to Unionise Guarantee in the workplace. Employers are also required to meet with elected worker representatives every three months for a dialogue about

issues in the workplace. Workers at Fairtrade certified flower plantations have **formal labour contracts** as a norm, which is often not a requirement on non-certified estates. Working conditions must be equitable for all workers, with **health and safety** measures established in order to avoid work-related injuries.



Oserian started producing face masks early in the COVID-19 pandemic

BOX 1: FAIRTRADE PREMIUM HELPS PEOPLE TO DIVERSIFY THEIR INCOMES

There are a number of ways workers are using the Fairtrade Premium to help them earn more money on top of their day jobs on the flower farms. This includes training to support them with skills that enable them to get a promotion on the farm, or be able to offer other services off the farm. They may also be able to access start-up funds to launch their own businesses. For example, the Fairtrade Premium can be used to help fund workers to go on courses such as driving or IT, which in turn can lead to them getting new jobs on the farms (office-based administrative roles, or driving)

that are higher paid. These skills also offer employment opportunities outside of the farm. On Rainforest Farmlands, workers who took driving courses were able to offer taxi services off the farm and earn extra income. On the same farm, the Fairtrade Premium also helped workers learn tailoring skills to set up clothes-making businesses. At Flamingo Horticulture Ltd, workers also used the Fairtrade Premium for training. This included poultry-keeping and hairdressing. The Premium Committee reported an increase in the number of workers with viable off-farm income-generating activities.

The Standard also sets requirements around the management of the Fairtrade Premium. The **Fairtrade Premium Committee**, which includes worker representatives, is responsible for the management of the Fairtrade Premium in accordance with Fairtrade Standards.

The Standard for Hired Labour and the Standard for Flowers and Plants both set out requirements to promote the **empowerment of women** and **prevent gender discrimination**. This includes compliance with the ILO's Equal Remuneration Convention, empowering women through training and capacity building, and ensuring fair gender representation on the Fairtrade Premium Committee. It also sets out requirements to prevent discrimination, by protecting maternity rights, and establishing and implementing policies on sexual harassment. This includes training for management and workers, and robust grievance procedures regarding sexual harassment, ensuring women are involved in administering those procedures.¹⁷ Fairtrade Africa worked in partnership with Workers' Rights Watch, and the Kenya Flower Council to develop and pilot an enhanced Sexual Harassment Policy to build on our work in this space.¹⁸ In an Ethical Trading Initiative-funded research project, we were able to assess and confirm their effectiveness, as well as the role of the gender committee at tackling gender-related challenges on Fairtrade certified farms.¹⁹

When **housing** is provided for workers by a flower farm, the Standard for Hired Labour also demands that the housing is of a decent quality and includes clean water and sanitation facilities.²⁰ If adequate housing is not available to workers within walking distance (5km) of the farm, the Standard for Flowers and Plants also requires farms to provide free and safe **transportation** to workers or pay them a transport allowance.²¹

Towards living wages

Achieving full and productive employment and decent work for all women and men, and equal pay for work of equal value, is one of the targets of Sustainable Development Goal 8. Fairtrade's ambition is for workers to have the power to improve their own livelihoods and negotiate their wages and terms of work.

We are committed to achieving living wages for workers working in Fairtrade plantations across the supply chains we certify, including flowers and plants. Living wages are a strategic pillar of Fairtrade's Workers' Rights Strategy.²²

¹⁷ Examples include 2.1.10, 2.2.6, 3.5 in the Standard for Hired Labour <https://www.fairtrade.net/standards/our-standards/hired-labour-standards.html>, and 3.1.1, 3.1.2 in the Flowers and Plants Standard <https://www.fairtrade.net/standard/hl-flowers-and-plants>

¹⁸ <https://www.fairtrade.net/news/levelling-the-ground-for-women-in-kenyas-flower-industry>

¹⁹ https://www.bananalink.org.uk/wp-content/uploads/2019/03/Womens_Employment_and_Economic_Empowerment_on_Fairtrade_Flower_Farms_in_East_Africa_FINAL.pdf

²⁰ Standard for Hired Labour 3.5.28 <https://www.fairtrade.net/standards/our-standards/hired-labour-standards.html>

²¹ Flowers and Plants Standard 3.2.5 <https://www.fairtrade.net/standard/hl-flowers-and-plants>

²² <https://www.fairtrade.net/issue/living-wage>

²³ <https://www.globallivingwage.org/about/what-is-a-living-wage>

²⁴ <https://www.globallivingwage.org/industries/floriculture>

²⁵ Anker, R., and Anker, M., Living Wage Update: March 2019 Non-Metropolitan Urban Kenya, Lake Naivasha (2019) https://www.globallivingwage.org/wp-content/uploads/2019/07/Update-Report_Lake-Naivasha_2019.pdf and Anker, R., and

A LIVING WAGE IS INTERNATIONALLY REGARDED AS A HUMAN RIGHT. IT IS DEFINED AS:

“The remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.”



Our Standard for Hired Labour specifies that real wages are increased annually to continuously **close the gap** with the estimated living wage. The incremental steps and timeline towards the applicable living wage are negotiated with trade union/elected worker representatives.

Living wage benchmarks to understand the gap

To estimate living wages, Fairtrade has worked through the [Global Living Wage Coalition](#) to establish independently validated country- and region-specific **living wage benchmarks**. With substantial contributions from Fairtrade, the coalition has gained wide acceptance from governments, the private sector and civil society in recent years.

Using this technical concept to set living wage benchmarks has been of critical importance to understanding the living wage gap. So far, Fairtrade has initiated and funded 12 living wage benchmark reports,²⁴ including for the Lake Naivasha region in Kenya,²⁵ Uganda²⁶ and Ethiopia²⁷ – see Figure 2. To ensure the legitimacy of actions taken based on these reports, discussions were subsequently held with local stakeholders. Living wage benchmarks are not only set to catalyse local wage dialogue, for example in collective bargaining, but also to allow for cost analysis, so that producers are better able to discuss sustainable prices with their buyers.

Figure 2: Living wage benchmarks

Living wage for Lake Naivasha, Kenya	KSh 26,546 Kenyan Shilling per month	View report
Living wage for Rural Uganda Lake Victoria Basin	UGX652,311 Ugandan Shillings per month	View report
Living wage for Ziway Region, Ethiopia	ብር4,847 Ethiopian Birr per month	View report

Anker, M., Living Wage for Kenya with Focus on Fresh Flower Farm area near Lake Naivasha (2014) https://www.globallivingwage.org/wp-content/uploads/2018/05/LivingWageReport_ExecutiveSummary_non-metropolitan-urban-Kenya.pdf

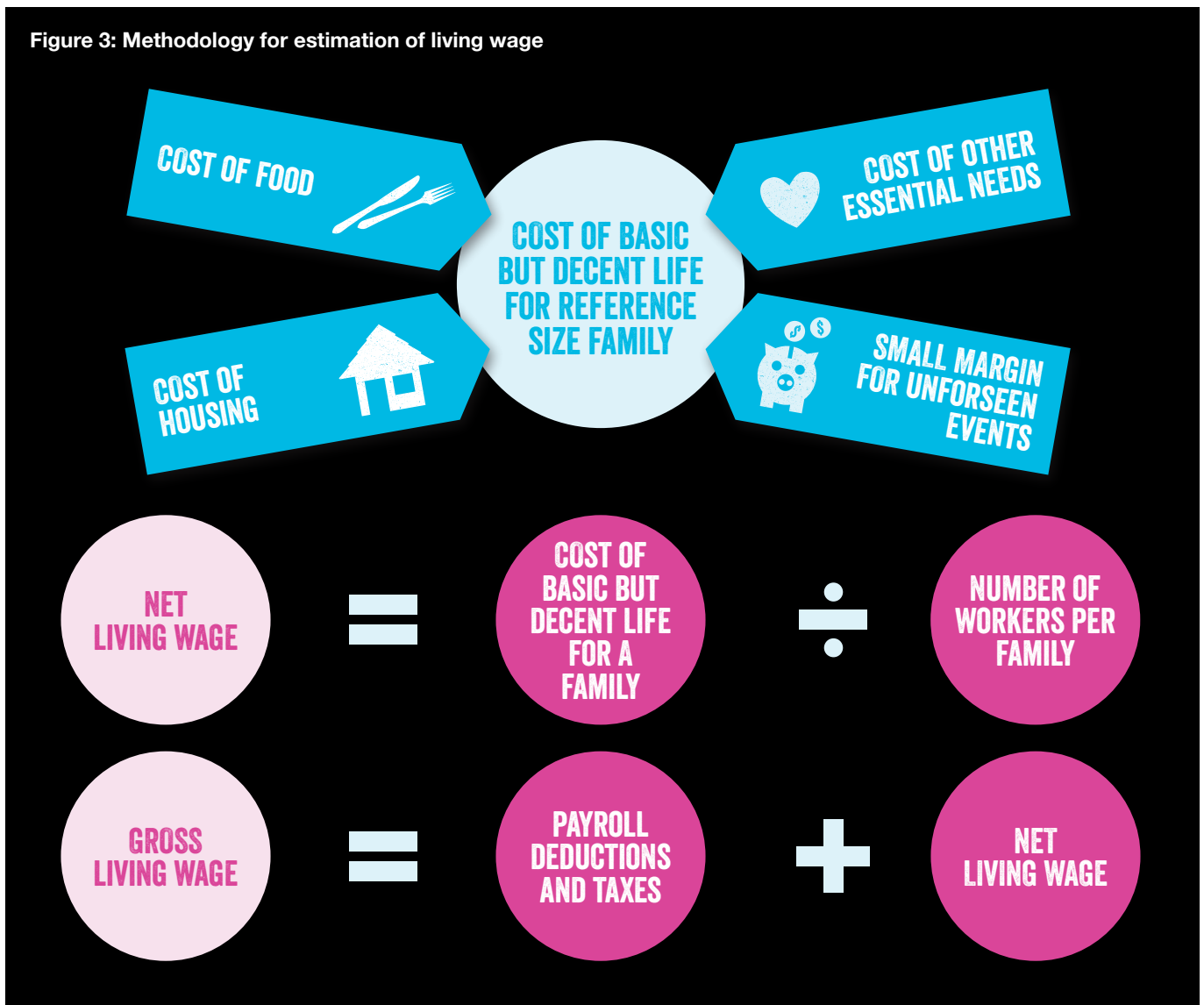
²⁶ Khan, A., and Buyinza, F., *Living Wage Report for Rural Uganda, Lake Victoria Basin* (2020) https://www.globallivingwage.org/wp-content/uploads/2020/10/LW-Report_Rural-Uganda_2019-1.pdf

²⁷ Ayelech Tiruwha Melese, Living Wage Report, Non-Metropolitan Urban Ethiopia, Ziway Region (2015) https://www.idhsustainabletrade.com/uploaded/2018/08/Ethiopia_Living_Wage_Benchmark_Report_2015.pdf

We are using the benchmark reports to determine the gap between actual wages as they are now, and the living wages that need to be paid. Using IDH's Salary Matrix tool, we have

estimated the gaps that exist across a number of Kenyan and Ugandan flower farms that we certify, and are working with supply chain partners on strategies to bridge that gap.²⁸

Figure 3: Methodology for estimation of living wage



Source: [Global Living Wage Coalition](#)

New Flower Standard brings in floor wages

While there are some similarities with other sectors, such as Fairtrade certified banana plantations or tea plantations, flower farms face their own specific challenges in relation to paying living wages to their workers. It is important to acknowledge these specific challenges in order to implement strategies that will enable us to get closer to a living wage for workers employed on Fairtrade flower farms.

One such challenge is the fact that in countries such as Ethiopia or Uganda – where many Fairtrade certified flower farms are located – legal minimum wage levels are either non-existent or wholly inadequate for workers to meet their essential needs. The lack of a national minimum wage or collectively

agreed wage level for agricultural workers meant that Fairtrade only had limited influence on minimum wage level to be increased in line with the Standards. In order to address this issue, **a revised Standard for Flowers and Plants** came into force in 2017.

As mentioned above, the new Standard has brought in a **minimum base, or floor wage**, requiring that wages do not fall below the World Bank's global poverty line (US\$1.9 per day in purchasing power parity terms). It excludes in-kind benefits. This is a new approach that Fairtrade has developed and implemented for the first time, and it is very welcome that producers and trading companies have given their support. Since April 2019, existing – as well as newly certified flower farms – must pay at least the minimum floor wage.²⁹

²⁸ <https://www.idhsustainabletrade.com/matrix-living-wage-gap>

²⁹ <https://www.fairtrade.net/standard/hl-flowers-and-plants>

Floor wage successes...

Implementing the floor wage caused wages to go up by almost 130 percent in Uganda, 75 percent in Ethiopia, and 30 percent in Tanzania. Approximately 15,000 workers benefited from these changes, seeing their wages increase between 29 and 127 percent as a result of implementing this new requirement.³⁰

WORKERS WANT TO SAVE MORE SO THEY CAN BORROW SUBSTANTIAL AMOUNTS TO INVEST IN THEIR OWN DEVELOPMENT PROJECTS.

Ambrose Kiwanuka, Fairtrade Officer at Wagagai farm, Uganda.

The farm's Savings and Credit Association has recorded a dramatic increase in deposits, particularly from general workers who now collectively own the largest percentage of shares.

Feedback to Fairtrade from workers, trade union representatives and farm management has been positive. Standards of living have improved for workers, who have been able to move to better houses. Their children could start going to secondary school if they weren't already, or they could send their children to better ones if they were. Workers reported to us that they were happier, more productive, and more likely to stay and work hard on the farms. Mugisha Stephen, a union representative at a farm in Uganda, told us that their standard of living had improved, the turnover rate had decreased, and that people were working harder than before. Meanwhile, Thomas Kitojo, a union representative from Tanzania, told us they had previously only been able to bargain themselves for an increase of 7-10 percent, well below the increase the floor wage has led to. In Ethiopia, trade unionists told us that the increase has been 'motivating', 'highly appreciated' and having a 'positive impact on the lives of tens of thousands of workers and their families.'



Agnes Chebii,
Chairperson of the
Gender Committee at
Karen Roses, Kenya

These significant increases in wage requirements did not result in any farms being decertified for non-compliance or deciding to withdraw from the Fairtrade system. Indeed, in Uganda, Fairtrade has been processing certification applications for four new flower farms, possibly as a result of those farms feeling pressure from their workers to increase their wages too.

Fairtrade is always seeking to drive systemic change, so it was very welcome to see several major companies and leading organisations in the Dutch flower industry agree in 2019 to move towards implementing the floor wage for all flowers sourced by Dutch flower traders – whether or not they are Fairtrade certified – and make further progress towards closing the gaps to living wages. This Covenant for Responsible Business Conduct in Floriculture is also internationally relevant as the most important flower traders are based in the Netherlands, and Fairtrade is pleased to be party to it.³¹

Our understanding is that our floor wage has encouraged the Ethiopian government to investigate introducing a national minimum wage for the horticultural sector for the first time, and the Ugandan government to investigate revising their national minimum wage up to our floor wage as they came under pressure from trade unions. Both these advances are yet to be officially confirmed, however, and the pandemic will likely delay their development.

...but some challenges

While these benefits have been substantial, there were some challenges and unintended consequences from the wage increases that will need to be addressed going forward.

Flower farms are often the major, or only, source of jobs and economic activity in the areas in which they are located, and this meant that the wage increases in Ethiopia have led to local inflation, including in rents and food prices. To help address the inflated local food market, workers at Herburg Roses in Ethiopia utilised the Fairtrade Premium to bulk-buy food, so that they can sell this on for a cheap price and on favourable repayment terms, something that could be replicated on other farms.

To address the challenge of rent hikes, an example from a flower farm in Kenya could offer a possible worker-led solution. At the Kongoni River Farm – Longonot, the Fairtrade Premium Committee purchased land and deed titles on the behalf of workers, and then offered them affordable loan rates so that they could slowly pay back the committee. This helped workers own property for the very first time, particularly women workers, who had struggled to get land titles to date. Moreover, by owning their land rather than renting accommodation, workers are able to grow their own food. Most of all, though, it meant they no longer had to worry about rising rents. By 2019, over 350 employees had been helped to own land and in 2020, the Fairtrade Premium Committee agreed to utilise the funds to purchase another five acres of land for the same end. A similar approach could provide a way forward in Ethiopia, though there are challenges associated with purchasing land in the country that will need to be addressed.³²

³⁰ Fairtrade International Review of the Fairtrade Floor Wage in the Fairtrade Standard for Flowers and Plants 2020. Not yet published.

³¹ <https://www.imvoconvenanten.nl/en/floricultural>

³² Ethiopian citizens may own land in freehold. However, most of the land is only available on leases. The land registration system is not well developed. <https://www.trans-africa-invest.com/eng/index.php?fldr=media&link=realestate-7>

Another issue has been that subcontractors are not yet part of the floor wage requirement. This led to some flower companies outsourcing their packing to a 'subcontractor' to avoid the costs of paying the floor wage, a loophole that will need to be addressed in the next version of our Fairtrade Standards.

In Uganda, Fairtrade is working with the main trade union to assure some Ugandan companies that the floor wage requirement does not mean that they can reduce in-kind benefits, or refuse to bargain for further wage increases. As outlined above, our Standard for Hired Labour requires that wages increase annually towards a living wage at a timeline agreed with trade unions.

To move beyond floor wages to a living wage, flower farms cannot be expected to finance additional increases alone, and they will need the support of supply chain actors (traders, retailers and consumers). Different options have been piloted over the last couple of years to test approaches that could lead to substantial improvement in worker incomes.

Piloting approaches to reduce the gap to living wages in poinsettia farms

Launched in 2017, the Fairtrade Cents project in poinsettias is a living wage pilot in Uganda. The partners for the project were Wagagai farm in Uganda, and Selecta One, a Fairtrade certified trader of young plants. Started by Olav Boenders, Wagagai CEO, the project sees buyers in the Selecta One poinsettia supply chain pay an additional few euro cents to the Fairtrade certified farm, to go into a bonus fund that is used to pay additional income directly to the farm's workers. It is a concept that builds on existing Fairtrade Standards by testing new and innovative mechanisms for improving worker incomes on plantations and in factories.



Kebebush Gobena at work in a packing house

CASE STUDY – KIWAY ROSES, ETHIOPIA

Kebebush Gobena, a mother of five and a worker at Ziway Roses, is grateful for the improvement: 'Three years ago, I used to get less than 1,000 Birr (under £20) as my basic salary and now I earn 1,890 Birr. A better wage has made it easier to send three of my school-going children to school. Now, I can live a normal life too. I can go to the market, buy more food items and once in a while buy clothes for myself and my children,' she says.

Solomon Ermiyas, Ziway Roses' Operations Manager, explains that on top of the basic salary, workers get additional benefits in the form of transport, department and work performance allowances, bringing their total monthly wage to about 2,200 Birr (around £45 a month).



The production hall at Waridi farm, near Athi River, Kenya. The farm has been in business since 1989 and Fairtrade certified since 2003

THERE ARE MANY SOCIAL BENEFITS WE PROVIDE AS A COMPANY, BUT WE WOULD LOVE TO DO MORE. WE WANT TO PAY A LIVING WAGE, BUT OUR MARGINS AND OUR VOLUMES JUST DON'T ALLOW IT, OR THE COMPANY WOULD HAVE TO CLOSE ITS DOORS. THIS NEW MODEL CAN BE A BIG STEP FORWARD, AND TAKES JUST A FEW CENTS EXTRA TO CREATE MORE AND MORE IMPACT FOR WORKERS. IT ALL DEPENDS ON VOLUMES: THE MORE WE CAN SELL AS FAIRTRADE, THE BIGGER THE IMPACT.

Wagagai CEO Olav Boenders

At Wagagai, the required Fairtrade Premium is half a cent per poinsettia cutting. The Fairtrade Cents pilot model requires traders to pay an additional 4.5 cents into a separate bonus fund, distributed to workers in cash. The bonus fund is governed by representatives from the trade union, Fairtrade Africa, Wagagai and the participating trading partners, and the financial transactions are audited by FLOCERT, the independent certifier for the Fairtrade system. In 2017, Selecta One paid an extra €45,000, directly contributing to

the workers remuneration.³³ This was enough to pay almost 1,500 workers in the lowest three wage brackets (two-thirds of the farm's total workforce) an extra month's salary.³⁴ Wagagai's goal for 2018 was to sell at least five million Fairtrade cuttings (about 10 percent of its total production), which would add up to almost five months of salary for each of those workers.

Poinsettia farms in East Africa and Fairtrade would like to expand the project by signing up more importers, growers and retailers to source more Fairtrade poinsettias, adding contributions to increase wages of flower workers. We are currently discussing a way forward and detailed information about this project will be available in 2021.

We believe we could make faster progress on collective approaches to achieving living wages if there was greater clarity around how companies can work together to address low wages in global supply chains, while ensuring compliance with competition law. Fairtrade continues to call on competition authorities to issue clearer communications on how businesses can collaborate for sustainability purposes in order to address low farm-gate prices in a manner that would be consistent with competition law.³⁵

Nonetheless, we are committed to making further gains towards achieving a living wage for flower farm workers and inspire other industry players to join in the journey of empowering workers. The challenge in 2020 has been to ensure hard-won gains were not reversed, and that the supply chain bounced back in a more resilient and sustainable way.

³³ <https://fairtradeafrica.net/a-journey-of-a-thousand-miles>

³⁴ <https://www.fairtrade.net/news/farm-workers-stand-to-earn-more-through-a-new-partnership-for-fairtrade-poinsettias>

³⁵ Long, S., and Taylor, D., *Competition Law and Sustainability: A Study Of Industry Attitudes Towards Multi-Stakeholder Collaboration In The UK Grocery Sector* (Fairtrade Foundation 2019) <http://www.fairtrade.org.uk/Resources-Library/Researching/Policy%20Resources>

CHAPTER 3 – RESPONDING TO THE PANDEMIC

As we outlined in the first chapter, the COVID-19 pandemic has had a devastating impact on flower workers, people who were already living in extremely precarious circumstances. From the moment that lockdowns and restrictions on air travel started to wreak havoc on the imported flower industry, Fairtrade acted immediately to do all we could to protect the health and livelihoods of those working on Fairtrade certified farms. Here is how we responded, and what we learnt.

Fairtrade's response

In March, Fairtrade acted quickly to ensure producer organisations are able to respond to the needs of their members. Specifically, Fairtrade's multi-stakeholder Standards Committee changed the rules around the use of the Fairtrade Premium to introduce more flexibility.³⁶ The Premium is an extra sum of money on top of the selling price that producer organisations earn on every Fairtrade sale, and invest in projects of their choice to benefit their businesses and communities.

In 2020, worker-run Fairtrade Premium Committees of certified plantations have been allowed to, in agreement with the company, distribute up to 100 percent of their Fairtrade Premium funds as direct cash distributions to workers. Normally, cash-out of the Fairtrade Premium for certified flower farms is a maximum of 20 percent.

In addition, Fairtrade Premium Committees on the farms have been able to spend the Premium much more quickly than usual. In normal times, the committees on the farms first submit a formal request to the Standards Committee. Removing this step has allowed the Fairtrade Premium Committees to respond to the crisis with greater urgency. This has compared favourably against other external funds by donors or other actors, some of which took months to reach the front line.

Other restrictions on how the Premium can be spent were also lifted to allow its use to minimise the spread of disease, such as to purchase and distribute face masks or implement hygiene campaigns, and for the distribution of food.

As a result of these changes, more than 17,000 flower workers have benefited from the use of the exceptional Fairtrade Premium across 30 farms. Over half a million euros have been distributed as support to workers to buy food, health equipment, and helped cushion the reduction of wages during a critical time. It has been a time in which many workers not only suffered a loss of earnings, but also had to support more family members than normal.



Packing flowers at
Karen Roses, Kenya

³⁶ <https://www.fairtrade.net/news/fairtrade-together-covid19-briefing-on-27-march-2020>

HOW THE FAIRTRADE PREMIUM HELPED FLOWER FARMS IN KENYA

Branan/Transabel

With workers on reduced pay and the local cost of food going up, Branan's Fairtrade Premium committee decided to use the Fairtrade Premium to help their workers access food during a time when they might not otherwise be able to afford it. They supplied 436 workers with food packages.

Waridi

Waridi also supported their workers through using the Fairtrade Premium as cash to workers, including those on leave. This enabled them to buy food during a time of reduced or no earnings. Waridi also bought sanitisers and digital thermometers for all their workers from the Fairtrade Premium, so that they can monitor their health and take quick action.

Batian

With local food prices higher, and jobs reduced, Batian used the Fairtrade Premium to provide maize flour and bars of soap for workers during COVID-19. They also ran an awareness-raising campaign to build knowledge about the virus. They contracted a health consultant to train people on how to prevent spreading and catching the virus.

Florenza

Florenza utilised the Fairtrade Premium to provide face masks, sanitisers and food for workers who were struggling with the increased cost of transportation and food as a result of COVID-19. The workers consider this a key intervention to alleviate the risk of extreme poverty when sales were very low.



Oserian

Oserian used the Fairtrade Premium to begin manufacturing masks for their workers, their families and members of the Oserian community. Using the farm's social hall, the manufacturing effort is driven by a group of 36 tailors, 22 of whom were employees of the flower farm who had lost their jobs. They developed tailoring skills through short courses funded by the Fairtrade Premium. 'Working here helps us earn a little income at this time. So, we are happy to be working here to at least help make masks and save the company,' said Ezekiel Onyango, one of the workers in the scheme.

Longonot

Longonot set up a COVID-19 response fund project with Fairtrade Premium after reports of workers facing financial strain and emotional stress as a result of the pandemic. They distributed one bale (12 packets of 2kg each) of maize flour, 6kg wheat flour, 3l cooking fat, 4kg sugar, 5kg rice and two bars of soap for all of the 849 workers.



Harvest

The Fairtrade Premium Committee at Harvest were concerned when workers were sent on unpaid leave, and others had their salaries reduced, as a result of the loss of sales to Europe. They are also based in a location that was affected by the new legislation preventing movement from outside the Nairobi area. All workers were issued with vouchers to buy flour, cooking oil, sugar, rice and other essentials from their local supermarket. They say that all the workers received the vouchers with 'enthusiasm, appreciation, and happiness' and were very glad to be able to feed their families.



A RIDE LESS BUMPY – FAIRTRADE PREMIUM AT AURUM ROSES, UGANDA, ALLOWS WORKERS TO PURCHASE BICYCLES SO THEY CAN GET TO WORK



“ I WANT TO THANK THE FAIRTRADE PREMIUM COMMITTEE FOR THE WONDERFUL IDEA TO GET US BICYCLES. WITH IT, I CAN COME TO WORK AND GO BACK HOME ON TIME. I CAN ALSO GO TO THE GROCERY STORE AND SHOP COMFORTABLY. IT IS ALSO AN ASSET AND A FORM OF SPORTS THROUGH WHICH I AM ABLE TO STAY IN SHAPE AND STRONG. LONG LIVE FAIRTRADE PREMIUM. ”

Esther Apio, Record Clerk, Aurum Roses (left)

Aurum Roses is a Fairtrade certified flower producer based in Entebbe, 7km south of Uganda’s capital. In April, following the enforcement of a nationwide lockdown and a ban on all forms of public and private transport, including motorcycle taxis known as boda bodas, Aurum Roses were presented with two options from the national government; to either halt operations or accommodate employees within company premises for business continuity, all while observing social distancing, providing PPE, and sanitising work stations correctly.

Amid these tough choices and uncertainty around the future of their business, ceasing activities was not an option for Aurum Roses. The producer understood that their high-quality blooms are the collective result of constant care and a host of crop management activities provided by their well-trained workforce. This led the producer to maintain a lean number of workers at the farm. However, this decision caused a spike in operational costs at a time when growers were barely recording any sales. Aurum Roses invested in temporary accommodation and a feeding programme to maintain a small workforce on site, and like other businesses, increased health and safety measures to maintain a standard that would curb the spread of COVID-19.

The changes to the Premium allowed the farm to purchase face masks, mosquito nets and sanitary towels for its female workforce amid the nationwide lockdown that restricted movement and saw many

small businesses shut down. It also brought some relief to the 80 workers on unpaid leave who received a cash relief payment of 50,000 Ugandan Shillings, food rations in the form of posho (maize flour), beans, cooking oil, sugar, rice and some sanitary items to help them get by.

The Fairtrade Premium Committee also decided to purchase bicycles for the workers. Besides walking, it was the only other safe form of transport recommended by the government since it involves minimal contact.

‘Due to the ban on all forms of public transport, workers cited logistics as one of the areas they wished the Fairtrade Premium Committee would look into,’ says Anna, Aurum Roses’ Fairtrade Premium Committee Chair.

‘While the bicycles were fully purchased using Fairtrade Premium, we agreed that we needed to share the cost. So, we developed a payment model where each worker will repay half of the total cost over a period of six months,’ says Edgar, the Fairtrade Premium Committee Secretary.

A total of 106 bicycles for men and women workers respectively were purchased. The bicycles also allowed people to get to the bank safely to collect their salaries, and access the shopping centre, which is located far from the farm.

It was welcome to see Fairtrade Premium Committees on flower farms make use of the extra flexibility given to the Premium to help workers get through these tough months. We knew that these changes alone would not be enough, so we have worked to secure new funds to help provide extra relief, and to try and make these flower farms more resilient to future shocks.

Fairtrade Producer Relief and Resilience Funds

The Fairtrade Producer Relief and Resilience Funds were launched in May with initial investment of €3.1m from the Fairtrade system, and are now more than €15m in size thanks to funding from the Foreign, Commonwealth and Development Office (FCDO), the German government (GMZ and BIZ), the Swiss government (SECO), as well as the impact investor Incofin IM.³⁷ The funds are going towards a range of short-term relief and long-term recovery measures across Asia, Africa, Latin America and the Caribbean. This has included replacing lost wages, health equipment, food security, medical help and anything else deemed vital in the immediate response to the pandemic. Flower farms have been a large beneficiary of the funds, supporting 46 to access over €200,000 of essential hygiene items, and develop communication aimed at sensitising farmers and workers to follow government directives and take the recommended precautions to reduce exposure to COVID-19. Fairtrade Africa, due to its close connection with the Fairtrade flower farms, was able to support these farms remotely at times when travel was not allowed or not safe. If and where permissible, Fairtrade Africa has started fieldwork again with staff in full protective gear.

FCDO Vulnerable Supply Chains Facility

The Vulnerable Supply Chains Facility (VSCF) is a rapid COVID-19 response fund set up by the FCDO, and managed by Mott MacDonald Ltd. The Facility has partnered with 20 UK retailers and international brands supporting 131 suppliers across Bangladesh, Ethiopia, Ghana, Kenya, Myanmar, Tanzania and Zimbabwe, and will provide economic, social, and health benefits to around one million women and men directly and indirectly.

Fairtrade and partners have been awarded £200,000 FCDO funding, which, together with £75,000 of cash match funding from Co-op, M&S and Tesco, and almost £70,000 of in-kind funding, will help to grow resilience in flower supply chains in Kenya.³⁸

This 12-month project will finish in July 2021 and has three main objectives. Firstly, to address the immediate impacts of the COVID-19 crisis social needs. Secondly, to address the sustainability of the system through long-term resilience. And thirdly, to improve purchasing practices and increase consumer awareness.

The Fund is helping to provide 6,000 people with health packages on 12 farms, set up kitchen garden kits for 3,000 workers across 10 farms, nutritional gardens on four farms, and training on gender. We are also exploring and piloting the role of income diversification for workers and farms to build resilience.

It will also fund further research into the experience of farms and the market during COVID-19, to help the flower industry respond better to future shocks, and become more resilient. Retailer roundtables will be held to discuss buying behaviour, and at the end of the project, the lessons learnt will be written up and shared with the industry.

FairVoice

Separate to the above funds, the FairVoice project is using innovative research techniques to help us gain rapid insights directly from workers about the impact that COVID-19 has had on their lives. It uses an empowering methodology that trains participants to be 'community reporters' and share information about their lived experience directly via their mobile phones. The data collection technology allows the collection of data remotely, so that workers can safely access a channel for them to express their voice and concerns, and a mechanism for Fairtrade to share insights and information back to workers.

Working with Fairtrade Africa, the Fairtrade Foundation in partnership with reporter network specialists On Our Radar, designed a small-scale pilot project to work with flower farms in Kenya, including Tulaga, Longonot, Rainforest and Bigot farms. It is enabling us to advocate for those workers and ensure their voices are heard in discussions by the flower industry on how to respond to this crisis. Chapter one draws upon some of the initial findings, including workers' experiences of food insecurity, financial hardship, and problems caused by the closure of schools and childcare facilities.

FAIRTRADE HAS JUST BROKEN THE RECORD [FOR MENTIONS]...EVERYONE I TALKED TO TODAY, SHE/HE WOULD TELL THAT THE ONLY TRUE AND TRUSTWORTHY SUPPORT COMES FROM FAIRTRADE.

Feedback from a FairVoice community reporter, who had been asking flower workers in the Naivasha region for feedback on the support they had received.

Workers also highlighted the support they received during this time. The use of Fairtrade Premium to help with the provision of food was the most common support raised by workers, as well as the Premium helping workers with rent payments and PPE. Many reporters also articulated the support that farms and farm managers provided during the challenging times.

When discussing what support workers want going forward, schools and education were the most frequent areas discussed, due to worries about school fee costs when the schools reopen during a period of financial constraints. Support for housing, including rent support, as well as the building of new houses or plots, was cited, along with healthcare, adequate PPE and family planning support. Loans for setting up small businesses as a diversification option were also frequently raised by workers in the research. The findings are published [here](#).

³⁷ <https://www.fairtrade.net/news/fairtrade-partnerships-secure-more-than-15-million-in-covid-19-relief-and-recovery-funding-for-producers>

³⁸ <https://www.fairtrade.org.uk/media-centre/news/fairtrade-foundation-secures-dfid-funding-to-support-flower-and-cocoa-producers-hit-by-global-pandemic>

Unions and employers working together in Uganda

When Uganda went into lockdown, there was insufficient government protection for agricultural workers, as workers receiving a monthly wage were excluded from government food support and could not access their pension savings. The main trade union for flower workers in Uganda, the Horticultural, Industrial, Service Providers and Allied Workers' Union (UHISPAWU), has played a critical role in supporting flower workers through the pandemic.

Under the leadership of Janepher Nassali, a woman who moved up from being a flower picker to becoming the union's general secretary, the union has become an influential voice and bargaining agent for workers in the floriculture sector. UHISPAWU has negotiated collective agreements benefiting thousands of workers and has helped to save numerous jobs during the pandemic.

Union representatives have been travelling from farm to farm, urging growers to maintain staff through work-sharing schemes, pay cuts and to implement strict safety protocols, including physical distancing, provision of PPE, accessible soap and water in all work areas and union access to health and safety inspection at all times.

After the tension between unions and some flower farms following the introduction of the floor wage – as noted in the previous chapter – it has been encouraging to see employers collaborating well with the UHISPAWU during the pandemic. 'During this crisis we are showing that employers and trade unions are able to work together and that there is a good understanding both ways,' explains Olav Boenders, CEO of Wagagai, a Fairtrade certified plant propagation farm in Uganda. 'In Wagagai, we have always worked very closely with unions but, as a sector, what I am witnessing is that more and more farms are working closely together with the unions now too. The attitude from both sides has changed. Trade unions have also proved that they understand the extremely difficult situation that companies are facing and together we are trying to find creative solutions.'³⁹

The work done by UHISPAWU during the pandemic underlines the fundamental role trade unions have in securing improvements in wages and conditions and securing supply chains that are more resilient to external shocks.

Fairtrade sales more important than ever

Sales of Fairtrade flowers and plants will be key to enable flower farms to continue weathering the COVID-19 storm. Currently, there is only demand for a small proportion of the flowers and plants grown on Fairtrade certified farms to be sold on Fairtrade terms (about 20 percent of a farm's sales on average). The greater the sales, the greater the Premium fund will be on each of these farms. As farms have spent a large proportion of their existing Premium responding to this crisis, Fairtrade sales will replenish those funds and ensure that Fairtrade Premium Committees are able to continue to support workers and the projects they planned to do. They will also be key to helping us pick up where we left off in our efforts to progress towards living wages for flower workers.

PLEASE CONTINUE TO BUY FAIRTRADE FLOWERS. MANY KENYANS WILL BE HURT NOT BY THE PANDEMIC BUT BY THE LACK OF BASIC NEEDS. IT WILL GET REALLY BAD HERE.

Grace, a worker on a Fairtrade certified farm in the Naivasha region of Kenya, speaking to us in April 2020

Fairtrade is proud of the role we have played in helping flower farm workers respond to the pandemic. However, in order to build a more resilient and sustainable supply chain – one that pays a living wage so workers and their families can live with dignity – collective action will be needed from the whole industry.

The next chapter outlines some of the ways that retailers, traders, flower farms, governments and shoppers can help us build back fairer.

³⁹ <https://www.fairtrade.net/news/international-labour-day-recognizing-the-importance-of-collaboration-between-union-representatives-and-employers-in-uganda>



Carrying blooms at
Karen Roses, Kenya

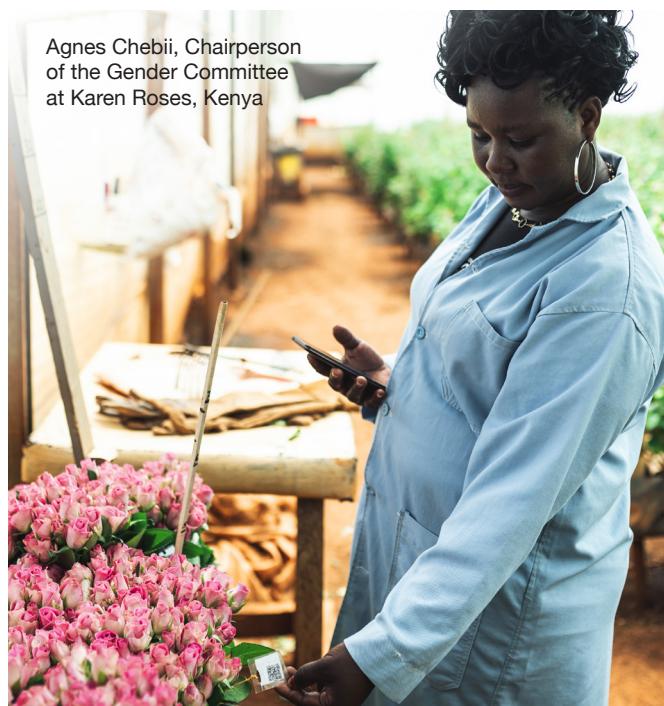
CHAPTER 4 – TOWARDS A ROSIER FUTURE

The pandemic has exposed just how vulnerable many of the world's agricultural supply chains are to external shocks. It has also underlined just how precarious the livelihoods are of many of the world's farmers and workers – without living wages, many lack the savings required to cope.

Much more money needs to reach the start of the supply chain, and this in turn needs to translate into better wages and conditions. In the turmoil that engulfed the sector, the Fairtrade system allowed flower farms to respond better to the crisis. The Fairtrade Premium allowed direct cash distributions to workers, and paid for PPE supplies or to distribute food.

Progress towards living wages, meanwhile, remains crucially important. Living wages will not only allow workers and their families to live a life of dignity, it will also allow them to build up their own savings to make them more resilient to future crises. If flower farms have a greater share of the value in the supply chain, they will be better able to respond quickly with targeted help for their workers, too.

Building a fairer and more resilient flower industry will require collective action, including higher prices being paid to flower farms for their products, and action by governments and shoppers too. Here, we put forward our ideas for how we think we can build back fairer...



Agnes Chebii, Chairperson of the Gender Committee at Karen Roses, Kenya

Research

- To ensure that increases in wages are not absorbed by local inflation in food and rent increases, further research should be carried out into the viability of possible worker-led solutions, such as food or housing co-operatives, or purchases of land that are sold back to workers at an affordable rate.
- The flower industry and donors should ensure that the Anker Research Network working with the Global Living Wage Coalition has sufficient funding to technically support monitoring of wages and in-kind benefits on the ground in East Africa, and ensure living wage benchmarks remain up to date.
- Fairtrade would welcome additional funding to scale up our FairVoice model of research so that we can build up a rich data set of insights directly from workers about their lives and what they would like to see change.

For retailers and traders

Supporting Fairtrade

- Retailers and traders should commit to sourcing Fairtrade flowers.
 - The floor wage has helped increase wages in some countries by almost 130 percent.
 - Sales of Fairtrade flowers help flower farms pay for the year-on-year increases in wages required by our Fairtrade Standards.
 - The Fairtrade Premium is giving workers extra financial support on top of their wages, either through direct cash payments, or community projects. It can even help overcome the food and rent inflation sometimes associated with wage increases.
 - Put simply, the more sales of Fairtrade flowers there are, the more Premium will be generated, and the more it can help workers.
 - Greater sales will also help pay for more pilots and research to test different approaches to achieving living wages.
 - Sharing the stories of flower farm workers with customers can raise awareness with shoppers of the challenges facing workers, and the importance of purchasing Fairtrade products.
- As Fairtrade consults on our Living Wage Strategy in 2021, we urge commercial partners to work with us, and with your supply chain partners, to think through solutions that are both scalable and impactful. This could include projects that strengthen the capacity of trade unions and training for workers, especially women and young people, on their rights.

The Dutch Covenant for Responsible Business Conduct in Floriculture

- We welcome the Dutch Covenant for Responsible Business Conduct in Floriculture and their 2019 pledge to implement the floor wage and make it a minimum requirement for all flowers sourced by Dutch flower traders, and make further progress towards closing the gaps to living wages. Despite the challenges to the industry caused by COVID-19, we urge traders to agree and implement the floor wages as soon as possible.

A British Covenant?

- As the third largest importer of flowers in the world,⁴⁰ the UK has a key role to play in driving progress. UK-based retailers and traders should create a British equivalent of the Dutch Covenant. Donors including the FCDO should also back the process.
- As members of this initiative, they would commit to:
 - Implementing a floor wage above the World Bank's global poverty line (US\$1.9 per day in purchasing power parity terms).
 - Achieving living wages through year-on-year increases in wages.
 - Paying higher prices for the flowers they buy to enable increases in wages to be realised.
 - Support moves by developing country governments to bring in or increase minimum wage legislation (and not lobbying against, or switching sourcing to a country with lower wages).
 - Support flower farms with programmes that improve workers' incomes and build resilience against future shocks. This could include programmes that:
 - Improve the infrastructure surrounding the flower farms, including worker housing and water and sanitation.
 - Strengthen workers' rights, including ensuring freedom of association and collective bargaining, and training workers on their rights. This should be done in partnership with local trade unions.
 - Allow farms to establish and set aside contingency funds. Such funds should be able to distribute resources (eg cash, PPE, food) quickly and efficiently when the next crisis hits.

For flower farms

- Under Fairtrade, trade unions receive strong protection under the Standard for Hired Labour. We urge all non-certified flower farms to recognise and work with trade unions to strengthen workers' rights, including ensuring freedom of association and collective bargaining, and train workers on their rights.
- Workers have fed back to us, through the FairVoice project, that they want flower farm management, and Fairtrade Premium Committees, to keep savings aside in a contingency fund at all times, should another crisis hit.

For flower-producing country governments

- Governments should pass (if they have not already done so) and uphold legislation that guarantees workers' rights, including ensuring freedom of association and collective bargaining.
- If not already in place, an appropriately benchmarked national minimum wage should be established for the horticultural sector.
 - It should be set and implemented in consultation with trade unions, and be set above the World Bank's global poverty line (US\$1.9 per day in purchasing power parity terms).
 - Governments that have not yet done so (including Ethiopia, Uganda and Zimbabwe) should ratify the ILO's Minimum Wage Fixing Convention, 1970 (C131) and its Recommendation (R135).
 - Governments should also ensure they regularly review and adjust those minimum wages considering the needs of workers and their families and the cost of living.
- Where the fiscal situation allows, governments should improve the infrastructure surrounding the flower farms, including workers' housing, water and sanitation, free quality education, and roads and public transportation.

⁴⁰ Observatory of Economic Complexity, trade data of Cut Flowers (2018) <https://oec.world/en/profile/hs92/20603>



Workers wear PPE, such as thermal suits, to keep them warm at the 2°C storage temperatures, at Kenya's Waridi flower farm

For the UK Government

- The FCDO should put achieving living incomes and wages at the heart of its Economic Development strategy. This should include supporting further match-fund facilities like the VSCF that support businesses committed to achieving living wages for workers and looking to innovate in their supply chains.
- As above, we propose that the FCDO facilitates a multi-stakeholder initiative, similar to the Dutch Covenant for Responsible Business Conduct in Floriculture.
- As the UK continues to negotiate an independent trade policy outside of the EU, we continue to call on the Government to align negotiations with 'trade for development' objectives, including the SDGs.
- A lack of clarity regarding competition law has slowed progress on Fairtrade's poinsettia pilot. We continue to call on the Government and Competition and Markets Authority (CMA) to issue clearer communications on how businesses can collaborate for sustainability purposes in order to address the low prices paid to farmers and workers for their products, including flowers, in a manner that would be consistent with competition law. We set out more detailed recommendations in our report on UK competition law.⁴¹

For shoppers

- The support of shoppers is more important than ever. We are grateful for the support shoppers in the UK have given by continuing to buy Fairtrade flowers and other products, particularly during these difficult times. You can find out more on where to buy Fairtrade flowers [here](#).
- For those who want to go further, there are thousands of community groups across the UK campaigning in support of Fairtrade. Find out how you can get involved [here](#).

We look forward to discussing this report and our recommendations with flower industry stakeholders. The pandemic has exposed just how unsustainable many of the world's agricultural supply chains currently are. But through determined, collective action, we can build a fairer and more resilient flower industry that allows workers and their families to live a life of dignity.

⁴¹ Long, S., and Taylor, D., *Competition Law and Sustainability: A Study Of Industry Attitudes Towards Multi-Stakeholder Collaboration In The UK Grocery Sector* (Fairtrade Foundation 2019) <https://www.fairtrade.org.uk/wp-content/uploads/legacy/doc/Competition%20Law%20and%20Sustainability%20-%20Fairtrade%20Report.pdf>



Workers in the grading hall of Harvest flower farm, Kenya

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Cover image: Pauline Wambui, a worker at the Fairtrade certified Valentine
Growers in Kiambu, Kenya. Valentine Growers are winners in the HLO of the
Year category of the 2020 International Fairtrade Awards.



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