

# TACD

TRANS ATLANTIC  
CONSUMER DIALOGUE

DIALOGUE TRANSATLANTIQUE  
DES CONSOMMATEURS

DOC No. TRADE-7-00

DATE ISSUED: FEBRUARY, 2000

---

---

## ETHICAL LABELING

---

---

TACD welcomes EU and US government support for fair trade labeling. We propose to work in a constructive way with the government in making fair trade labeling schemes more effective, more compatible and free of World Trade Organization (WTO) challenge.

### **Background:**

Consumers are becoming more and more interested in the way goods are produced. Ethical labeling schemes, such as eco-labeling and animal welfare labeling give consumers the opportunity to choose products which meet their own ethical standards. Business can choose to sell and consumers can choose to select products which are produced and traded in a way that ensures good employment or environmental standards and extra benefits to the producers.

The creation of such a market can make it commercially feasible for companies to develop special added value products which consumers recognize as generating additional benefits to "third world" producers and strengthening their position. Such products are commonly described as fair trade products, though this term can be misleading in some languages and alternative terms are used. The marks only apply to standards in the country of origin, do not imply that non-certified products are unfair and do not support managed trade. Traders, suppliers and consumers should decide for themselves whether to participate. The labeling does and should operate in a free market.

In order to assure consumers that such products are indeed produced and traded in a way that ensures good employment standards in the third world and additional producer benefits, independent certification is required including independent monitoring in cooperation with human rights, labor, religious and other NGOs who have knowledge of local conditions and trust of workers. Such certification covers both the supplier organization and the terms of trade. It should ensure that the benefits of the trade are shared with the primary producers and that the supplier meets independent standards for producer welfare, the environment and working conditions. The quality of marked agricultural produce also needs to be high.