

Free Trade vs Fair Trade

Free Trade

Goal: To increase nations' economic growth

Strategy: Profit is the overriding concern

Benefactors: Multinational corporations, powerful business interests

Supply Chain: Includes many parties between producer and consumer

Investment: Corporate investment in a community can be limited to people and activities that build skills for use in related commercial enterprises and/or generate good publicity

Marketing: Marketing is directed at increasing profitability

Fair Trade

Goal: To empower all people and improve the quality of their lives

Strategy: Balances concerns for people, the planet and profit

Benefactors: Vulnerable farmers, artisans and workers in less industrialized countries

Supply Chain: More direct trade, Includes fewer parties along the way

Investment: Technical assistance and training build broader skill sets, and social premiums foster investment in social projects that benefit all residents of low-income communities

Marketing: Marketing is driven by consumer education and advocacy that leads to socially responsible business innovations

