Creating the new economy: business models that put people and planet first

By Prof. Bob Doherty (University of York), Prof. Helen Haugh (Cambridge University), Dr. Erinch Sahan (WFTO) and Mr. Tom Wills (Traidcraft Exchange)
Creating the new economy: business models that put people and planet first

- 323 WFTO members survey
- 62 bespoke survey responses
- 19 Case studies
- Insights on governance, innovation, commercial approach, inclusive business models

Full Report: wfto.com/jointhebusinessrevolution/

Yabal, Guatemala
The Problem with profit-primacy

Driving inequality
Focus on extracting maximum profits for shareholders fuels inequality

Damaging the planet
Obsession with profits limits investment in sustainability (only where business case is strong)

THE RICHEST 1% NOW OWN AS MUCH WEALTH AS THE REST OF THE WORLD
Fair Trade Enterprises in 4 stats

Profits for purpose
92 per cent reinvest all profits in their social mission

Led by women
52 per cent of CEOs are women

More resilient
4 times less likely to go bankrupt

Can put people and planet over profit
85 per cent report actively sacrificing financial goals to pursue social or environmental goals, while retaining commercial viability
Case study: Manos del Uruguay

Owned by 12 women’s producer cooperatives across Uruguay

All profits are reinvested or redistributed to the producers

Founded in 1968, now $4.5-5 million sales per year

owns two large stores in Montevideo but main market is exports, incl as private label producer for luxury brands
Case study: WSDO (Nepal)

Producer of bags, purses, cases, gifts (indigenous designs) – majority export

100% profits to social mission, all 9 board members women (represent workers and producers)

>13,000 women benefiting from training provided, many set-up own business

Trading arm employs 100 women + 566 craft producers as members

Handmade and handwoven products
Gebana (Switzerland)

Annual turnover > €10m, with subsidiaries in the Netherlands, Burkina Faso, Togo and Brazil, turnover exceeds €31m.

Network of customers, farmers and partners who share vision of fair trade

Shares profit with employees worldwide, founded by Swiss women’s movement

Shares 10% of mango and cashew sales turnover with farmers producing crop.
Fair Trade Enterprises are different

- Fully practice Fair Trade
- Prioritises people other don’t
- Goes places others won’t
- Livelihoods focused
  e.g. WomenCraft Tanzania

Refugee women in Tanzania use upcycled threads from World Food Program food sacks to create beautiful storage baskets.
Social Enterprises that fully practice Fair Trade (76 countries)

1m livelihoods

WFTO IS A GLOBAL NETWORK OF:

Retailers + Importers + Brands + Producers
Enterprises of the new economy

Profit Primacy:
Power & priority given to shareholders

Mission-primacy
Recommendations for businesses

- Favouring and supporting in supply chain
- Adapt purchasing policies to accommodate their distinctive characteristics
- Report impact to create expectation of ethical practice

Recommendations for investors

- Develop social investment funds targeting SEs
- Support throughout investment process and provide follow-up support
- Report SE investment fund performance to investors and stakeholders

Beautiful Coffee, South Korea
Recommendations for policy makers

• Support social finance initiatives that target SEs

• Support SEs to attend trade shows, create marketing materials, access market facilitation professionals and support public awareness-raising campaigns

• Public procurement policies makes calls for tenders favour SEs

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