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CHARACTERISTICS OF COMPANIES INVOLVED IN THE FAIRTRADE PLATFORM

Šalamoun, J.

Abstract

Fair Trade is a business model whose basic idea and goal is greater fairness in international trade with the developing world. In particular, it offers fair trading conditions that do not exploit the grower but take into account his possibilities and production costs. It prides itself on the sustainability of trade and therefore supports environmental protection in the area. An integral part of this system is the involvement of businesses as intermediaries between producers and consumers. The companies enter business processes with a clear vision aimed at orienting themselves in the area of fair trading, while others consider this to be only an opportunity for visibility. For this reason, the idea of Fair Trade has its criticisms, and like all certifications, the Fairtrade have their shortcomings. Criticism is often based on ignorance of the thing or unrealistic ideas of "how it should be to make it work". At other times, criticism of the ethical concept overlaps with the rules of a particular certification, or it blames the system for misuse of the logo by some of the merchants.

The article reveals some theoretical aspects and also deals with a selected sample of companies based on a quota selection from the set, which is part of the certification company Fairtrade Czechia and Slovakia. Based on the chosen methods, we answer the research question and the verified hypothesis.

Key words: process management, business, fairtrade, sustainable consumption, certification

JEL Classification: Q01, M31

1 Introduction

The reason for fair trading is a notion of meeting the needs of the current society, provided that the quality of life of future generations does not get disturbed. Just like the fair trade, sustainable consumption is a main goal of companies in relation to sustainability at all levels of human beings. Businesses are gradually setting up specific patterns of their business in relation to fair trade-related activities. These companies' steps should lead to a sustainable economy, including, but not limited to, recycling at all levels of the production and distribution chain¹, the development and communication of environmentally friendly products and services, or the use of renewable energy sources. The general concept of fair trade is based on vertical cooperation between traders of well-developed countries with small producers from third world countries. The International Organization Fairtrade International aims to ensure the ethical treatment of citizens of developing countries on the basis of this cooperation. Thus, if the necessary conditions are synchronized, traders around the world can sell trademark labelled products (Fairtrade®, Rainforest Alliance, World Fairtrade Organization, UTZ), knowing that they contribute to improving the quality of life of the population of developing countries.

The article aims to characterize the companies involved in the Fairtrade platform in the EU and the Czech Republic.

¹ In 2016, 7.4 million tons of plastic waste worth \$ 3.7 billion (about 76 billion crowns) was exported to China from other countries. This is 56 percent of the world's trade in recycled plastics (Zenker, 2018).

2 Theoretical background

2.1 Fairtrade and its definition

Fairtrade is therefore the world's most famous and widely²used concept of social certification and is often translated as "fair trade" (Hesková et al., 2014). Business relationships are based on mutual communication, respect, and transparency, on which the philosophy of fairtrade is based, enabling disadvantaged producers and workers to improve their living and working standards (FLOCERT, 2011).

Several pieces of research have been conducted in the past on the consumer behavior of fair trade products. According to De Pelsmacker and Janssens (2007) or White et al. (2012), further research is needed to extend the theoretical understanding of the basic motivational processes that help increase demand for fairtrade products.

Fairtrade is understood, by the FLO (FLOCERT GmbH) definition, as a "trade partnership based on a bilateral dialogue between producers of developing countries and their partners from developed countries. Long-term cooperation sits on the condition of the whole relationship transparency' (FLOCERT, 2011). DeCarlo (2011:2) defines fairtrade in a similar way, i.e., as a trade partnership, based on dialogue, transparency, and respect, seeking greater equality in international trade. By offering better trade conditions, guarding the rights of producers and workers of developing countries, it contributes to sustainable development. Fairtrade organizations actively support producers by raising awareness of the concept and campaign for changing the rules and practices of conventional international trade (e.g., Weber, 2007; Griffiths, 2014; Claar and Haight (2015), or De Janvry et al., 2015). According to Hunt (2012), the main essence of this system is the association of individual farmers from developing countries under a single producer organization, thereby significantly strengthening the negotiating position against large traders, whose demand is usually the purchase of large quantities of production.

Chambolle and Poret (2013) explain the fairtrade system as vertical communication between manufacturers (farmer) and spot market distributors who sell final products. In the spot market, there is often a "snowball" effect, in which a fairtrade organizations provide manufacturers

² Since the term "fair- trade" is not defined by law, it can be legally applied to any product. I.e. a product that has nothing to do with the Fairtrade system. Unfortunately, we often encounter this problem especially when a company (which does not meet fair trading standards) is trying to push through sustainable trading patterns in the market. The fair-trading methods that are conclusive and which deviate from the very nature of fair trading will also be.

with different types of contracts, including, for example, guaranteed minimum feed-in prices of their commodities or direct relationship with distributors. On the other hand, some manufacturers choose to approach fair trade distributors separately. However, this, in practice, means serious problems with the sustainability of fairtrade production. However, producer organizations do not act on their own. It is precisely the certification that fulfils the requirement of the process transparency.

The main idea of fairtrade is trading with developing countries. If the product or raw materials for its production (or at least a substantial part thereof) do not come from developing countries where the fair-trading criteria are set, it is not fairtrade (Fairtrade Czech Republic and Slovakia, 2019).

Fair Trade standards by Fair Trade Advocacy Office (2018) include:

- Improve producer living conditions by improving market access, strengthening primary producer organizations, buying out at better prices, and continuity in a trading partnership.
- Promote opportunities for the development of disadvantaged producers, especially women and traditional nationalities, and to protect children from abuse in the production process.
- Increase awareness among consumers about the negative impact of international trade on producers so that they can use their purchasing power positively.
- Create a primary model of business partnership through dialogue, transparency, and mutual respect.
- Campaign for changes in the rules and practices of conventional international trade.
- Protect human rights by promoting social justice, environmental protection, and economic security.

In the article, we often mention the different forms of the name Fairtrade and fairtrade. Fairtrade with the first capital letter means the specific certification provided by FLOCERT and associated with the Fairtrade certification mark. Fairtrade with the first lower case letter indicates a product that is part of a generally accepted fairtrade, even though it is certified and marked with a trademark.

2.1.1 Importance of fairtrade for stakeholders

Fairtrade is inherently important not only for manufacturers or³ producers, but also for distributors not having that many in the logistics chain but also, of course, for consumers⁴.

Meaning for producers

Fairtrade is an innovative value chain, according to Manning et al. (2012), which aims to provide higher economic value and social benefits to primary producers in less developed countries through international food, beverage, and domestic trade. It aims to improve the commercial status of small-scale farmers, especially with a guaranteed minimum price and a focus on developing and alleviating poverty. Co-operatives of small fairtrade producers must meet labour force standards, sustainable agriculture, and democratic participation. For fairtrade products, a minimum price is guaranteed not affected by fluctuations in world prices. In addition to the price used in community, social, health, and infrastructure investments, social premiums are also paid (Dammert and Mohan, 2015).

Meaning for distributors

Distribution chains played a strategic role in spreading knowledge about fairtrade products. CO-OP UK, for example, launched its own product line in 2000, Tesco introduced a number of branded own products in 2004. Since 2006, Marks & Spencer has been offering only FT coffee and tea (Wright and McCrea, 2007), and Italian chain Coop Italia received the Ethical Award 2005 for its brand Solidal from the GDO Week Cremonini Magazine (Cremonini, 2007). Among the coffee distribution chains, Starbucks was at the forefront of buying certified coffee from its suppliers with the goal of selling only Fairtrade certified coffee (Manning et al., 2012).

Strategies implemented by distribution chains generally contribute to increasing the global sales of fairtrade products. Still, they do not constitute a transformational message through their involvement (Bezençon and Blili, 2009), because distribution chain workers are unable to provide explanations and materials related to fairtrade, nor information on related initiatives, as this information is part of agreements within the framework of the world fairtrade business. As a result, consumers who buy fairtrade products in mainstream supermarkets may be considered

³ Vast number of distributors lead towards price rise in final product for consumers and lowers the pay for the labour at the producer's end

⁴ The main aim of Fairtrade is to change consumer behaviour of wide society, putting a pressure on the value chain, leading to increase in benefits for the producers -> starting with the demands

a mass market segment that is more heterogeneous in terms of purchasing motivation than the market represented by consumers who identify themselves as ethical consumers (De Devitiis et al., 2012).

Meaning for consumers

Research into fairtrade products so far, according to Andorfer and Liebe (2012), focused largely on consumer attitudes following a theoretical approach based on social psychology and sociology (Chatzidakis et al., 2007; Doran, 2010; Hwang and Kim 2018). Fewer studies followed a theoretical economic approach to identify consumers' preferences for fairtrade goods, thus estimating their research goals of the implicit price for consumers or willingness to pay for products marked as trademarked (Loureiro and Lotade, 2005; Maietta, 2005).

However, it is clear that there is convincing evidence that many people are willing to pay a high premium price for Fairtrade certified products (Hainmueller et al., 2015). Fairtrade certification can therefore be seen from a consumer perspective as the creation of a new product combined with the willingness of consumers to buy products that provide producers with a decent income and improve their working conditions (Reinstein, Song, 2012; Dragusanu et al., 2014). According to D'Souzi et al. (2020), there are tools such as the belief in justice that can influence consumers to buy fairtrade products.

Some sources have also highlighted the role played by gender in shaping consumer preferences for fairtrade goods, as women who are mainly engaged in family shopping are more likely to be more interested in their consumer decisions (Micheletti, 2003). Women have been historically important in promoting ethical consumerism and generally show stronger preferences for these kinds of public goods (Zelezny et al., 2000; Aidt et al., 2006; Carlsson et al., 2010). The profile of an ethically oriented or socially responsible customer is, therefore, a profile of a relatively young woman living in a middle-income urban area, having a high-level education and high subsidies of individual per social capital (De Devitiis et al., 2012, Koos, 2012, Yang et al., 2012).

However, research questions about whether and how socioeconomic context affects the values and habits of consumers of fairtrade products are relatively neglected in the literature. This also applies to the role played by aspects of the social structure that defines social capital (e.g., general trust, extended civic standards, and association networks) (Putnam, 1993) in shaping consumer preferences for fairtrade goods. Social capital, which is linked to assets

and resources available through network interactions, helps in sharing information. This can also apply to socially responsible issues and could lead to awareness of such, thereby increasing the willingness to pay for them. Moreover, the set of shared values in the case of fairtrade organizations is tangible and clearly identifiable, as it is linked to efforts to improve living standards in the developing world.

Very aptly, this phenomenon was summed up by the former Prime Minister of Great Britain Tony Blair: "Globalization is a fact, not only financial, but also communicational, technological and cultural, as well as in tourism. In the world of internet, information technology and television, globalization is happening. The task is not to stop it, but to use the power of society and to associate it with justice." (2001, in Dicken, 2007:3).

2.1.2 Development of fairtrade

Fairtrade is a concept inherently linked to increasing the dependence of national economies, the export burden, and, above all, the phenomenon of today – globalization (Hesková et al., 2013). If we wanted to find the cause of globalization, we must go back more than fifty years – to the time after The Second World War, when, in the context of the extreme depletion of all production resources, the dependence of national and regional economies on the stronger players, that the war did not diminish, (Hoogvelt, 2001) got stronger. There was a connection not only at the economic level, but also social, cultural or technological, and this collectivization suddenly allowed the world (especially western) to consume cheaper and more affordable food, clothing, appliances, and other products (Raynolds, Murray, Wilkinson, 2007), unfortunately, at the cost of global competition from huge companies, the dictation of the lowest prices and the underestimation of human strength and environmental factors.

Justice is the essence of the concept of fairtrade, which has evolved in four fundamental waves.

The first took place just after World War II, when Western Europe tried to recover economically with the support of handicraft from Eastern Europe (Nicholls, Opal, 2005).

In the second wave, Alternative Trade Organisation (ATO) was created in order to offer producers the opportunity to trade with developed countries without an unfavourable feed-in price reduction. (Bornstein, 2007). The first pioneers were known companies such as Traidcraft UK, founded in 1979 in the UK (Traidcraft, 2013) and German Gepa, a subsidiary originally Dutch Stiftung S.O.S. (Gepa, 2013).

The third wave can be understood by the efforts of these alternative business organizations to offer products on a broad consumer basis. This stage was characterized at the same time by the introduction of the branded policy, with the first fairtrade brand being named "Max Havelaar" in 1988, according to a figure from the novel about the exploitation of coffee collectors in the Dutch colonies (Hunt, 2012) and was transferred to many European and North American countries. With certain modifications, it is widely used to the present and patronizes, in addition to coffee, many other products. Fairtrade itself is now communicated through the Fairtrade® trademark, which guarantees that the products thus marked have been certified in accordance with Fairtrade International standards. By purchasing such labelled products, consumers contribute not only to improving the living and working conditions of a number of producers but also to the protection of the environment.

According to Karjalainen and Moxham (2013), the number of available fairtrade products is steadily increasing. In practice, however, this poses a growing threat of fierce competition with other branded products. Even as consumers start pushing organizations toward ethical behaviour, they are not yet willing to pay higher prices. To bring the price of fairtrade products to a lower level, the distribution network policy must be changed. Currently, a simple rule applies - the more distributors, the higher prices for final consumers. For this reason, the primary efforts of fairtrade organizations are to minimize the chain.

It is the strengthening of the growth of fairtrade products in mainstream consumer policy that is the fourth and last wave of Fairtrade development, with major global companies such as Sainsbury's and Starbucks joining the concept, and the chain stores began to the first products labelled Fairtrade®. (Nicholls, Opal, 2005). In 2004, Tesco UK offered consumers, in addition to coffee, tea, and chocolates, such as fruit and fairtrade flowers. (Moore, 2004).

2.1.3 Fair-trade and CSR

Environmental aspects, certification policies, and social initiatives are, on the one hand, important for economic sustainability, but on the other hand, they rely on current patterns of consumer behaviour (Peattie, 2010). The term "green consumption", has recently appeared to be one of the key elements of sustainable development. And it was in education that it became intensely interesting, for example, green business or fairtrade issues. Greentailing, we consider being a modern teaching discipline, which has gradually started to apply across the business and social spectrum.

The importance of greentailing is based on the sale of environmentally friendly products and the use of sustainable, environmentally friendly methods in the management of a retail business. Traders who are really trying to do something for the environment would like to offer at least part of eco-friendly products (Mcmillen Dictionary, 2019).

A number of empirical studies have attempted to identify factors that affect sustainable consumption, such as demographics (Diamantopoulos et al., 2003), knowledge of the environment, attitudes (Chan, 2011), values (Ramayah, 2010) and the inner environment (Rylander, Allen, 2001). However, these factors are critically dependent on the subjective approach. It is, therefore, necessary to systematically change and strengthen consumer attitudes towards ethical products, which may lead to more sustainable consumption in the long term.

The fairtrade system will be in line with the definitions (FLOCERT, 2011; DeCarlo, 2011:2; Hunta, 2011; Heskova et al., 2013; Chambolle and Poret, 2013) in this paper understood as a long-term partnership based on a joint agreement between producers from developing countries, certification companies, and distributors.

The content of international organizations is to work with marginalized producers and workers. Those organisations help them to move from a vulnerable position to economic self-sufficiency. The latter self-sufficiency is in many ways better for developing countries than humanitarian aid (Marcovitz, 2011), while at the same time seeking to expand justice in the global economic arena and promote sustainable development that satisfies the needs of the current generation without compromising the ability of future generations to meet their own needs (definition of the Brundtland Commission, in Mebratu, 1998). Thanks to the economic, social, and cultural benefits of all these activities, the concept of fairtrade can be seen as a true philosophy of sustainable development.

2.1.4 Certification system of fairtrade

In general, the term 'certification' means an assessment of the beneficiary's criteria by the official body. There are undoubtedly various problems, both financial and organizational, associated with the certification system. Not every organization, even if meeting the strictest certification criteria, can afford to be certified because of limited resources or to offer a certified product. Under the Fairtrade® certification scheme, it is possible to certify a specific product, not the manufacturer, dealer or distributor. The Fairtrade® certificate (see

the Trademarks sub-chapter) of the product means that the entities⁵ involved in its production or the production of raw materials needed for its production have received a fair remuneration for their work, allowing them decent living conditions and the development of their community. In 2003, FLOCERT GmbH was established for the purpose of certifying the products of selected producers or supervision of compliance with the criteria resulting from this certification. There are several dozen auditors of this company around the world who carry out certification activities.

The basic certification criteria include the following according to FLOCERT (2011):

- Minimum feed-in prices that are independent of prices on the world market.
- Long-term business relationships based on bilateral dialogue.
- No illegal child labour.
- Fairtrade premium.
- Protecting the environment through sustainable farming methods.

However, producer organizations do not act on their own; the requirement of transparency is fulfilled by certification. It is overseen by the independent FLOCERT (under the overarching FLO – Fair Trade Labelling Organization), which, according to the International Fairtrade Standards, as stated by Nicholls (2005), assists producers with certification services, mainly in relation to the creation of long-term relationships and good practices of fairtrade traders, but at the same time carry out audits and ongoing checks of all certified entities. (Oosterveer, Sonnenfeld, 2011). In the late 1990s, trademark communication initiatives have merged to establish an international certification body for Fairtrade – the international labelling organization called Fairtrade Labelling International (FLO). Supermarkets have also started selling FLO-certified coffee. In this case, however, the marketing chain was longer and less direct, as the roaster mostly bought green cherries from various distributors, which in turn buy them from export companies and co-operatives. The main difference from the conventional value chain was that individual producers on large plots or large farms were excluded from finalized contracts (Valkila et al., 2010).

It follows from the above, according to Durevall (2020), that without the existence of certification, it would not be possible to meet the criteria leading to the sustainability of the whole system.

⁵ Most commonly, they are the producers from developing countries.

We consider the Fairtrade social certification system to be a "living organism", which entails a pot of new knowledge and also changes. For these reasons, it is necessary to ensure the credibility and transparency of the entire Fairtrade system, which includes the control of the supply chain of certified products through appropriate protection⁶. The independent company FLOCERT, based in Germany, provides control through certification of not only products, but also raw materials and production processes.

FLOCERT is referred to as a global certification company for Fairtrade purposes. FLOCERT was established to oversee compliance with Fairtrade certification rules. It essentially promotes sustainable business or management and ensures compliance with fair conditions around the world. It also ensures the integrity of the production and business practices of the entire supply chain, which help primary producers, traders, and brands become genuinely sustainable. Over the past decade, the credibility of this certification body has increased thanks to never-ending work over the certification process. The company's paradigm is based on a holistic approach that ensures the possibility of a diverse range of certification of products, raw materials, or production processes and further measures impacts depending on whether it is or not right for fairtrade business.

FLOCERT also carries out regular audits⁷ based on physical control and thorough accounting checks on all areas that are relevant to production and processing of Fairtrade products. The Company controls the following:

Fig. 1 Controlled areas by FLOCERT



Source: adapted, by FLOCERT (2011)

⁶ E.g: trademarked Fairtrade®

⁷ Representatives of this company travel to selected geographic areas where they check compliance with certification standards.

Fairtrade certification involves companies that either produce or process⁸ fairtrade products, including added value. Certification is also needed by all companies that trade with fairtrade raw materials or deal with the production process under the auspices of⁹the Fairtrade system.

Companies or entities that only buy and sell Fairtrade products unchanged do¹⁰not need Fairtrade certification. In addition to these companies, Fairtrade licensing partners who produce fairtrade products under a private brand from another certified manufacturer do not need Fairtrade certification.

Indicators based on the analysis of generally valid FLOCERT certification standards, which lead to the fulfillment of the essence of the entire Fairtrade system, should be the following:

- Distribute and communicate the Fairtrade trademark according to FLOCERT standards
- Supervise together with FLOCERT to prevent the abuse of child labor.
- Create long-term business relationships with producers, especially within direct distribution channels
- Pay attention to environmental protection, not only in producer countries
- Pay a fair price to producers

In general, it can be stated that companies that enter the Fairtrade certification should be based on the general concept of social responsibility, as stated, besides other things, by Pícha (2012).

⁸ An example is the outer packaging.

⁹ E.g.: production of footballs in Pakistan.

¹⁰ E.g.: on the floor of the Faculty of Economics, the offer of fair-trade products is provided through vending machines in unchanged form.

3 Objective and methods

3.1 Objective

The aim of the article is to describe the companies involved in the Fairtrade platform in the EU and the Czech Republic.

Following partial objectives are defined to fulfil the main objective:

- 1) Define the notion of fairtrade/Fairtrade using sources of literature
- 2) Assess the share and structure of companies of the Fairtrade platform in selected European countries
- 3) Compare selected companies of the Fairtrade Czech Republic and Slovakia platform based on a set of indicators

Research question

What are the characteristics of the companies involved in the Fairtrade Czech Republic and Slovakia platform in the Czech Republic?

Hypothesis

In the Czech Republic, the representation and structure of companies is different than in other selected European countries.

3.2 Methods

First, a comparison of articles deriving fairtrade problems was made based on literature sources available in various databases (Web of Science, Science Direct, Proquest, Ebsco). The content of the theoretical part of the work is a description of areas based on the title of the work and the discovery of their "white spaces" or "gaps in knowledge", which we will further address in the PhD thesis. The output is a review of literature.

Secondly, we have assessed the representation and structure of the Fairtrade platform in selected European countries.

For the purpose of evaluating the hypothesis, the structures of companies in European countries that are part of similar Fairtrade platforms and represent their business or licensing partners were analyzed. These platforms communicate the issue of Fairtrade and also inform

about the database of companies that have been certified and supply or mediate Fairtrade products. The list of countries was drawn from the Fairtrade International website (fairtrade.net). These were: Belgium, France, Germany, Ireland, the Netherlands, Norway, Spain and Portugal, Switzerland, the United Kingdom, the Czechia and Slovakia, and Poland. The Fairtrade International website also provides information on other European countries such as: Denmark, Finland, and the Baltic States, Italy, Luxembourg, Sweden. However, there was a problem with the opacity of the websites of the individual platforms in these countries, so these countries were not examined in more detail. The data was collected through the websites of the Fairtrade platforms, which represent a very similar format across Europe. Only in some countries was a lack of clarity, as mentioned above. It was, for example, due to the non-provision of a language other than the mother tongue. The indicators, according to which the country was included in the given structure, were distribution channels and traded commodities.

Thirdly, we have compared a sample of companies of the Fairtrade Czech Republic and Slovakia platform based on a set of indicators.

Companies that are partners of the Fairtrade Czechia and Slovakia platforms were selected for comparison. According to Dvořáková (2010), content analysis of documents was chosen for their comparison, which represents the technique of data collection in the field of social sciences. The most significant benefits include applicability to various types of text data, but also adaptation to the research plan, which allows achieving a high degree of generalization in the field of quantitative data. The data sources for obtaining information were used on the websites of the Fairtrade Czechia and Slovakia platforms, as well as on the websites of individual companies that represent business or licensing partners of this platform.

The researched sample of companies was selected based on quota selection from a set that is part of the Fairtrade Czech and Slovak platform. 11 companies out of 37 were selected by quota selection, i.e., such companies that represent various areas such as retailing, manufacturing company, company providing services, etc. (Fairtrade Česko a Slovensko, 2020).

The selected companies from the selected sample are those that are either directly involved in the processing and trading of fairtrade commodities or only trading in fairtrade products.

Although typical characteristics for the given selection do not exist, information from yearbooks, annual reports and companies' websites was monitored within the documents.

Following indicators of the content analysis were determined:

- company size
- used raw materials and traded commodities
- market orientation
- focus on sustainability
- fairtrade involvement intensity
- distribution paths
- communication of fairtrade

For a detailed description of the indicators, please see Chapter 5.1. Summary of companies comparison.

4 Representation and structure of the companies of the Fairtrade platform in selected European countries

To evaluate the hypothesis, it was necessary to perform an analysis of the platforms of European countries. From the available sources of Fairtrade International, European countries that have created a Fairtrade platform were analyzed. From the websites of these platforms, the number of trading companies for each platform was determined in some countries, as well as a breakdown according to the method of product offerings. This method differed in that some platforms only listed their partner companies. Others classify these companies into individual forms according to traded commodities (coffee, cocoa, tea, sugar, bananas, etc.) or according to service providers in the form of wholesalers, retailers, online stores. The structure and number of companies involved in the Fairtrade platform are shown in Table 1.

Table 1 Structure and number of companies in selected European countries¹¹

Country	Number of companies	Classification based on the form	
		Products categories	Service providers
Belgium	105	yes	no
Danmark*	-----	-----	
Finland including Baltic Countries*	-----	-----	
France	340	yes	yes
Germany	127	yes	yes
Ireland	58	none	
Italy*	-----	-----	
Luxembourg*	-----	-----	
Netherlands	249	yes	no
Norway	146	yes	no
Spain and Portugal	73	yes	no
Sweden*	-----	-----	
Switzerland	324	no	yes
Great Britain	155	yes	yes
Czech Republic and Slovakia	37	none	
Poland	56	no	yes
Austria	118	none	

Source: Own processing

¹¹ For countries marked with *, data could not be retrieved or the information was confusing and difficult to use.

Table 1 shows that the structure of companies in other countries differs compared to the structure of companies in the Czech Republic. The reason may be historical aspects; in other words, a deeper perception of Fair Trade issues. Under the name Dividing by form, it is divided into product categories such as coffee, cocoa, tea, sugar, dried fruits, cosmetics, cotton, alcohol, and service providers, which include retailers, wholesalers, online stores, etc. From 17 groups of countries¹², we have found that 9 of them have a form created within their platform, either based on product categorization or according to the service provider.

Another difference in the compared structure of companies in our country and abroad may be the fact that many companies are perceived locally abroad (such as Lidl in Germany) compared to our international perception. Many of these companies are perceived in this way abroad. In the UK, it could be Tesco, which was founded by Jack Cohen after the First World War and which also offers fairtrade products. These companies usually have a long history, which may result in the very historical aspects. However, most of the partner companies of the Fairtrade Czechia and Slovakia platform have an international character. They have been operating in our country for almost 30 years.

4.1 Hypothesis verification

We have set the following hypothesis to fulfil the objective of the paper:

"In the Czech Republic, the structure of companies is different than abroad."

Based on the analysis of companies from European countries, it is possible to confirm the hypothesis that the structure of companies in the Czech Republic is different from companies from abroad. The structure differs in the number of companies in individual countries, where the number itself is exceeded by up to three or four times, as in the United Kingdom, Switzerland, Austria, and Germany, and the structure differs in comparison with individual products, which are divided by forms, either into categories: coffee, cocoa, cotton, bananas, tea or into service areas: wholesale, retail, e-tailing. Whether it is a division into categories or service providers, it is obvious at first glance that the categorization of corporate

¹² Some countries incl. ours have established cross-border cooperation with other country or countries

structures abroad is clearer with the provision of more information about companies through, for example, web links directly under the company name or logo.

Table 2 shows the numbers of Fairtrade companies per million inhabitants. For most foreign companies, there is a clear difference compared to the Czech Republic. From this difference, it is also possible to assess the confirmation of the above hypothesis, when this structure is also different. The difference may be related to the purchasing power of the population, which is still low in this sector in the Czech Republic. Abroad, purchasing power is higher, both for reasons of higher wages and the historical perception of fairtrade. In Western countries, it is common for people to buy not only fairtrade (finished) products but also raw materials such as: cocoa, sugar, flour, etc., and from these certified raw materials, they commonly cook, bake, prepare meals.

Table 2 Number of Fairtrade companies per 1 million inhabitants

Country¹³	Number of inhabitants (mio)	Number of companies	Number of companies / 1 million inhabitants
Belgium	11.46	105	9.162303665
France	66.99	340	5.075384386
Germany	83.02	127	1.529751867
Ireland	4.904	58	11.82707993
Netherlands	17.28	249	14.40972222
Norway	5.433	146	26.87281428
Switzerland	8.57	324	37.80630105
Great Britain	66.65	155	2.325581395
Czech Republic	10.69	36	3.367633302
Poland	37.97	56	1.474848565
Austria	8.859	118	13.31978779

Source: Own processing

Table 2 shows the differences in the number of Fairtrade companies per million inhabitants. Switzerland has the largest representation, followed by Norway, followed by the Netherlands with Ireland and Austria. Furthermore, the differences are not very large for foreign companies and this may stem from various reasons. For example, the smallest differences are in Germany, France and the United Kingdom. Although there is a relatively large purchasing power, similar

¹³ Table 1 also lists other countries with a number of Fairtrade companies, such as Spain, Portugal and Slovakia. As we do not know how many companies are in Spain and Portugal, I have omitted these countries from the comparison. In Slovakia, it is one company that belongs to the Fairtrade Czechia and Slovakia platform. For this reason, I present data in Table 2 only for the Czech Republic.

to Switzerland and Norway, the conversion per one million inhabitants is still relatively low. For this three countries, I believe that there will probably be other similar platforms.

5 Comparison of the selected of the Fairtrade Czech Republic and Slovakia platform

From the total number of 37 business partners of this platform, 11 companies listed in Table 3 were selected for content analysis, which represents representatives of various forms, such as: retailers, service providers, manufacturers, or intermediaries.

Table 3 Selected trading companies

Company	Form
Ben&Jerry	Producer
Fair & Bio	Service provider
dm	Retailer
mamacofee	Producer, intermediary
Florea	Retailer
Kaufland	Retailer
Miko Káva	Service provider
Lidl	Retailer
NaZemi	Service provider
Tchibo	Retailer
Stop cafe	Service provider

Source: Own processing

Ben&Jerry

Ben&Jerry, which owns the Ben&Jerrys tag, was founded in 1978, when two people, Ben and Jerry, paid \$5 at the University of Pennsylvania for a \$12,000 ice cream course and built their first ice cream shop in a renovated petrol pump station in Burlington, Vermont.

Fig. 2 Logo of trademark Ben&Jerry's Fairtrade certification



Source: Ben&Jerry's (2020)

In recent years, the company has also focused on other distribution points where ice cream can be bought in the Czech Republic. The distribution network included Billa supermarkets and other traditional stores in Prague and Brno, supporting sustainable development. The aim was to combine premium ice cream, which is known for its unusual flavours full of large pieces and spirals, with premium shops in the Czech Republic. In this step, the company makes it clear that its products are produced only using sustainable sources and fairtrade raw materials of the highest quality (Bio-info, 2019).

Ben & Jerry's is committed to follow the rules of social responsibility not only within developing countries, but also among its own employees and stakeholders. The company is trying to ensure that farmers receive a fair reward for the work they do on their plantations. The main credo of society is the promotion of small-scale farmers from developing countries in an ultra-competitive global market.

Fairtrade raw materials for ice cream production (Ben& Jerry's,2020)

The inseparable part of any ice cream is undoubtedly sugar. Fairtrade sugar is obtained from various small farmers, including those who are members of the Belize Sugar Farmers' Association. Belize has become a global model in sugar production. Up to 85% of the population in some parts of the country depends on the sugar industry, which is why cooperation is so important. For example, newly introduced alternative pest management procedures have helped to save sugar crops and significantly reduce the use of harmful pesticides.

The company also works with co-ordinated cocoa growers from Côte d'Ivoire, who produce about 40% of the world's cocoa (certified and uncertified). Fairtrade premiums allowed one co-operative to build a new medical clinic, hire a nurse, install solar panels and buy a water pump. They also receive fairtrade cocoa from growers in Ghana, where they have invested in rural schools and scholarships for children.

Another important component of dozens of flavours is vanilla. One of the co-operatives they do business with is in Madagascar. Here, a fairtrade premium was used to refurbish the medical centre, repair the school, and build an office. They also work with Fairtrade vanilla farmers in Uganda, who have started to create independent networks that increase their sustainability and maintain their way of life.

Some types of ice cream also contain coffee. The company cooperates with Huatusco coffee co-operative in Mexico. Since 2010, they have bought more than¹⁴ 300,000 pounds of coffee. Fairtrade's premium helps approximately 1,500 farmers, along with their families and communities. As a result, it contributed to the construction of a medical centre, library, and schools, the development of educational projects.

In addition to sugar, cocoa, vanilla, and coffee, these are also bananas. Due to the popularity and taste of bananas, the company began working with the Ecuadorian province of El Oro in 2014. Since then, they have bought out approximately 50 tons of fairtrade bananas. This trade helps to improve the living conditions of several dozen peasants and further manages to complete various projects, such as providing scholarships to local children, helping children in need with language and physical therapy, and making health care easier for farmers, workers, and their families.

Following from the above, it is a company that trades, manufactures, and processes fairtrade certified raw materials.

Fair & Bio, coffee roaster

It is a co-operative socially focused company founded in 2011 that cares for disadvantaged employees and roasts fairtrade organic coffee. The main credo of this company is the promotion of economic, social, and environmental sustainability. The reason for the establishment of the co-operative was to follow up the¹⁵ usual form of business in the field of fairtrade, when the large majority of farmers, growers are organized (Fair& Bio, coffee roaster, 2018). The economic structure of the co-operative generally contributes to sustainable development, as most people have the same interest in it. Thanks to this structure of Fair & Bio, it manages to close the supply chain circle together with other representatives of growing co-operatives from Latin America and Africa.

The company is in Kostelec nad Labem, Central Bohemia, where all processes take place from roasting to packaging by people with disabilities or otherwise disadvantaged. The company carries Fairtrade certification because it promotes fair trading under good work conditions. It also focuses on communication of commodity logistics from growers to consumers in the shortest and transparent way possible. The main objective of setting up

¹⁴ It is about 136 tons.

¹⁵ So called primary producers in developing countries

a company was to engage in social entrepreneurship by presenting a chance to people who do not usually receive it.

More than 2/3 of employees are people with health problems for whom working in a presents several benefits:

- Financial contribution
- Self-realization
- Social contact
- Acquiring new skills and improving existing ones (Fair & Bio, Coffee Roaster, 2018)

To gain the new knowledge, various workshops are often carried out. Similarly, excursions to companies with a similar focus are organised, for example. The co-operative participates in testing, finding new options in roasting and coffee treatment, including providing a number of samples to cafe companies or final consumers. The way fairtrade coffee roasts is, in most cases, different from roasting ordinary coffee, presenting a slightly different taste of each cup of coffee. The co-operative offers coffee with a responsible approach not only in processing but also from the point of view of growers by the direct or mediated route. In the framework of mutual cooperation, there is scope for communication of a sustainable way of doing business through the integration of persons with health or social disadvantage not only to stakeholders but also to competitors.

Since it was founded, Fair & Bio co-operative has been focused on sustainable and democratic business. Above mentioned, the main objective of a company following the path of social responsibility is to optimise profits; even here, this rule is enshrined in intercompany culture. More than a half of the profits are reinvested in the development of social entrepreneurship. The rest of the profits is commonly under the decision of the statutory organs. This form of business brings transparency to the company in decision-making that contributes to social sustainability and the creation of a space for self-realization.

The Cooperative Company Fair & Bio, like Ben&Jerry's, trades, processes fairtrade certified raw materials, and produces a product designed for cafe companies and final consumers.

dm drogerie markt

Under the dm brand, dm drogerie markt s.r.o., which ranks among the largest retailing players in the Czech druggist market. The first business unit of the parent company dm Austria was opened in 1976 in Linz. Dm first appeared in the Czech Republic in 1993 in České Budějovice. Today, dm Czech Republic has 232 stores across the country, and its headquarters are in České Budějovice (dm drogerie markt s.r.o., 2019).

Interestingly, the company has set up its own method of education, which does not bind to Czech education. It is its own qualification system for which it has been certified by the National Qualifications System (NSK). Thanks to this certificate, it can train its own employees even in the field of social responsibility, which they have been following for several years.

Its CSR's goal is to lead employees and customers to take count for the environment. Society often communicates in its materials how to efficiently use our planet's resources, coming soon to their exhaustion, so that there will be some left for future generations.

Dm drogerie markt, s.r.o. is considered a license partner of the non-state and non-profit organization Fairtrade Czech and Slovakia, which already trades in certified products intended for final consumers. In its portfolio, it offers mainly certified fairtrade coffee, as well as biscuits, chocolate, snacks, and drinks. The range of certified fairtrade products completes the company's vision and goal, which is based on mutual responsibility to the environment.

mamacoffee

Mamacoffee is a coffee roaster that operates 6 cafes and owns a craft bakery.

The founding of the company is based on a trip to southern Ethiopia in 2007. The first café was opened a year later in London's street in Prague with a coffee roaster. Gradually, seven other cafes in Prague were opened under the same brand. Then the company set up its own bakery and launched a café shop B2B aimed mainly at wholesale customers. These companies are supplied with barista equipment as well as with fairtrade coffee, tea, and sugar cane, products also certified by Fairtrade (Kolská, Kolský, 2020).

The company's main production includes coffee, which they follow from the beginning of its journey from farmers to the customer. For the company, a key aspect is a decent, fairtrade, which guarantees fair feed-in prices of raw materials in poor developing countries. Thanks to this, for example, the farmers' children go to schools, there is no current slavery, and farmers

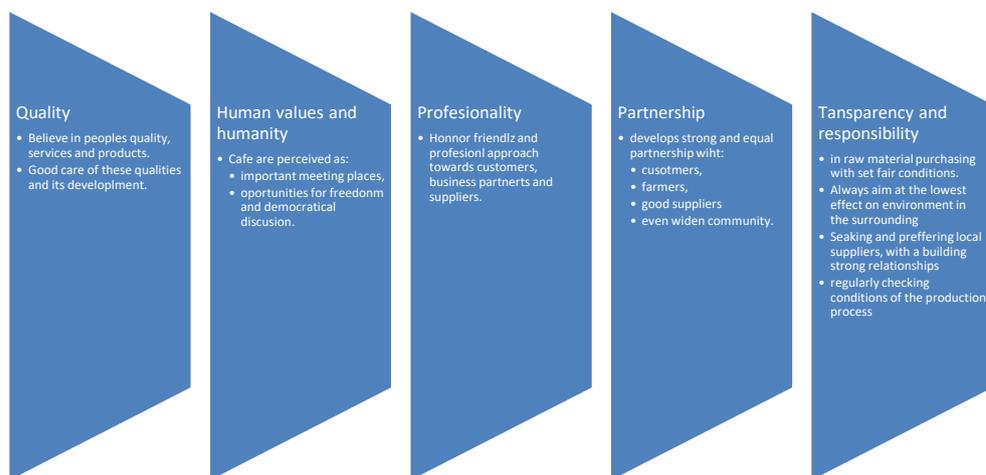
can develop their farms and focus on better environmental protection. They also try to support coffee farmers on many levels, including making personal contact.

In its business activities, it also seeks to **support the wider community**. That's why they also set up the first social enterprise and a protected workshop that focuses on packaging fairtrade products.

Their beliefs show that a strong society has to integrate as many of its members as possible, and everyone should get an opportunity. As one of the best ways of inclusion, they perceive work, which offers jobs to people disadvantaged by the labour market, whether they are disabled, newly incoming, parents after parental leave or anyone else.

Like any association, this creates values that contribute to the achievement of the vision and goals of society. Figure 3 shows the given values.

Fig. 3 Values of mamacoffee



Source: adapted, by Kolská, Kolský (2020)

Florea

Florea is the trade name of Florea Holland s. r. o., a Czech online flower shop that also offers certified fairtrade roses grown in Kenya.

Kenya represents a country where the most roses from around the world are grown, both certified and uncertified. The uncertified are in greater number, often referred to in terms of non-compliance with basic working conditions, especially for women and the great pollution of the environment using strongly toxic inorganic means for cultivation and protection of plants. In addition to the above, there is also a vast lack of underground-water, which is needed

in a high amount. Water, it is not only in high demand but also a polluted by inorganic substances. All this is under the Fairtrade certification scheme, which considers itself as one of the pillars of environmental protection through sustainable farming methods and fair working conditions.

Only this company operates the standard offer of fairtrade flowers in the Czech Republic. It is a registered sales style that demonstrably contributes to a specific amount to designated co-operative. Most of their growers have a certified method of cultivation under the Fairtrade system. The company chose the Kenyan farm Oserian because of their natural approach, which contributes to the protection of nature (Florea, 2018).

Fairtrade roses are sold in a bunch of 10 pieces and are always marked with the Fairtrade logo and the grower's identification number. Flowers grown in Africa have even a smaller carbon footprint than flowers grown in Europe.

Basic principles, and this does not only apply to the cultivation of flowers, are the care of employees and the environment. Individual certificates include the fulfilment of specific working and living conditions while respecting the limits for consumption of agrochemicals, water pumping, or land use.

Kaufland v.o.s

Another company committed to complying with the rules of social responsibility is the retail chain of the Kaufland hypermarkets. This chain belongs to one of the largest retail companies in the world, namely Schwarz Gruppe, based in Germany. The first hypermarket Kaufland has opened in 1998 the “third stage” of the development of trading units in the period of market economy. Nowadays, the chain ranks in top position from TOP10 business units, according to the amount of sales achieved for the reference period. The amount of sales achieved for the reference period is approximately CZK 50 billion for Kaufland. This fact is also contributed by the way private brands are managed split into individual categories, which also include the Fairtrade Cocoa Program.

Any business takes part in the responsibility for the environment in which it operates. It seeks to offer such goods, the production that does not lead to climate change, the devastation of nature, the loss of diversity, or the decline of natural resources.

In Kaufland chain stores, customers will find many chocolate products that carry the Fairtrade Cocoa Program logo. This is based on the principles of fairtrade when this raw material is purchased at a fair price. This programme then enables producers to improve the living conditions of their employees, prevents child labour and, last but not least, contributes to the protection of the environment. Fairtrade Cocoa Program is part of the economic private brand K-Classic (Kaufland, 2020).

In addition to products containing cocoa with the Fairtrade Cocoa Program logo, other products are bearing Fairtrade certification in the shops, but they are intended for customers to stay in unchanged form. It follows the principles of fairtrade, which, actually, trades in Fairtrade certified raw materials and is a Fairtrade licensing partner that produces fairtrade products under the private brand K-Classic below designation Fairtrade Cocoa Program.

Miko káva, s.r.o.

The Miko brand, holds one of the oldest coffee roasters in the world, founded in Belgium in the 19th century. The company was originally based on the principle of trading in colonial goods such as exotic spices, tea, pepper, salt, and coffee. It was only at the end of the 19th century that the company focused mainly on roasting coffee, under the brand Miko (Miko Cofee, 2018).

Miko coffee also owns the trademark Puro, which communicates trading in certified raw materials to produce fairtrade coffee. This mark is not only associated with the processing of certified coffee, but also trade in other fairtrade products such as cane sugar, tea, cocoa, cotton, ceramics, and various confectionery.

People at Miko have long realized that their corporate responsibility is much broader than just maximizing profits. For this reason, their part of the responsible business has become a focus on two key Ps – population and planet.

Puro coffee and Puro teas meet all the criteria of socially responsible products, and with fairtrade trademarks they provide a guarantee that they have been certified in accordance with international Fairtrade standards.

In addition to meeting Fairtrade standards, Puro coffee also contributes to the rescue of rainforests. In cooperation with the acclaimed World Land Trust, they buy land in uninhabited areas of Ecuador to preserve them as a nature reserve and not being used for logging

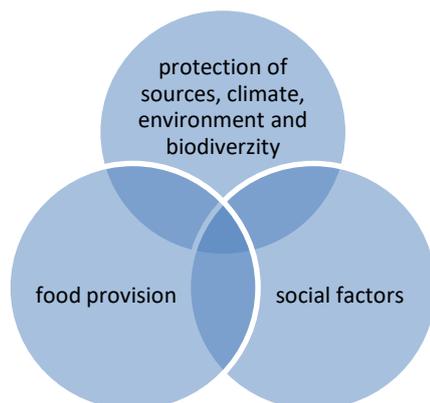
and other devastating purposes. This project is accompanied by 2% of puro coffee sales. An area of about 4,600 football pitches has already been rescued. People from the company and experts have also made some interesting discoveries in this area; for example, they have described a new species of orchid, which was named according to the concept of Puro Teagueia Puroana Orchid (Miko Coffee, 2020).

Lidl Česká republika

Like Kaufland, Lidl is one of the Schwarz Grupe business group based in Germany. Lidl is one of the leading discount chains in our market, which supports significantly disadvantaged producers from developing countries.

The corporate principles of the discount, which are economic, social, and environmental responsibility, express their approach to people and nature. By publishing the principles of sustainable purchase of cocoa, coffee, and tea, they declare their own position in the responsible treatment of these raw materials. By filling their slogan "Towards a Better Tomorrow", they support the principles of sustainable agriculture. In doing so, they see themselves as a mediator between manufacturers and customers. Their basic concept of sustainable food production takes into account the picture of the three pillars of sustainable development (Lidl Czech Republic, 2018).

Fig. 4 Pillars of sustainable development



Source: adapted, by Lidl Česká republika (2018)

The protection of resources, climate, the environment and biodiversity is based on sustainable agriculture, which emphasizes ways of working and methodology that make soil

more fertile while minimising impacts on water, air, soil, climate, biological diversity, as well as on human health. As a result, natural resources should not be harmed.

Ensuring nutrition in sustainable agriculture is not only a source of basic food, but also enables the production of other agricultural products.

Social factors guarantee long-term employment, better pay valuations on a social level as well as decent and equivalent living and working conditions for all those working in the supply chain.

The aim of the company is to contribute to a greener and more socially responsible land management. Suppliers require compliance with applicable legal standards. Since 2007, Lidl has been a member of the BSCI - Business Social Compliance Initiative, which operates within the European Association of Foreign Trade. Based on this membership, Lidl developed its own Code of Conduct to improve living standards in countries where their trading partners operate. Lidl strongly rejects any form of child labour, including human and labour rights violations in the production of its goods. It actively promotes and supports principles beyond basic legislation. These include, for example,¹⁶the gradual expansion of products of private brands, which have been produced from raw materials from certified agricultural production, and other projects that serve to improve the conditions for the cultivation of agricultural raw materials such as cocoa, coffee, and tea (Lidl Czech Republic, 2018).

Most cocoa products contain certified cocoa from the Fairtrade Cocoa Program, see Figure 5. Fairtrade Cocoa Program is a new chance for small growers. Under the program, small growers have the opportunity to sell more cocoa according to Fairtrade rules to ensure the benefits that the Fairtrade system brings. This is, for example, a guaranteed minimum feed-in price, fairtrade program, etc. The programme connects growers with companies that want to buy cocoa fairly and sustainably. Thanks to the Fairtrade for Cocoa program, they have the opportunity to support small growers and customers through their daily purchases (Press, 2015).

¹⁶ Lidl customers want to offer private label products that reflect their liability policies. The custom offer is based on recognized certification standards such as Fairtrade, Fairtrade Cocoa, UTZ, Bio and Rainforest Alliance. Their customers can thus choose from products that are certified and labelled accordingly

Fig. 5 Logo Fairtrade Cocoa Program



Source: Press (2015)

NaZemi

NaZemi (OnEarth) is a non-state non-profit organization that originated from the original organization under the name "Society for Fair Trade and Development Education". The name itself revealed what the organization wanted to deal with. Nowadays, the main focus is on the interconnectedness of consumer behavior in developing countries and motivates individuals, businesses, and states to take responsibility for these problems. They advocate corporate responsibility because companies can influence working conditions so that people in the countries of the global South can live and work in decent conditions. They promote fairtrade, allowing growers (men and women) in Africa, Asia, and Latin America to improve their living conditions. Through fairtrade and direct contact with growers and producers, they encourage the Czech public to take a responsible approach to their own consumption. They communicate global education to help understand the connections between their own lives and the lives of people in other parts of the world. Using educational materials, programs for students and students, as well as seminars for educators and lecturers, they promote global development education into formal and non-formal education (NaZemi, 2019).

Since 2011, they have co-ordinated the Fairtrade cities campaign together with the Ecumenical Academy and Fairtrade Czech Republic and Slovakia. The aim is to mark places where fairtrade is supported. At the end of 2018, there were 12 Fairtrade towns and 27 Fairtrade schools¹⁷ in the Czech Republic (Fairtrade Czech Republic and Slovakia, 2019).

In 2013, Obchod NaZemi (Shop OnEarth), s.r.o. became part of the organization as part of a social enterprise. People in the organization are convinced that every person on Earth has the right to live and work in dignified conditions, and therefore promote fairtrade, corporate responsibility in supply chains, and the development of global education. The profits of social enterprise are used for the activities of the non-profit organization NaZemi. The store offers only quality and proven fairtrade products (MPSV, 2020).

Tchibo

¹⁷ Faculty of Economy , South Bohemian University had become the first Fairtrade fakulty in central Europe in 2013

As one of the largest internationally active retailers of coffee and consumer goods, Tchibo is a leader and innovator, not only in the portfolio of products but also in the way of doing business, where it places great emphasis on a responsible approach. It offers more than 75% of all categories of consumer goods through a variety of distribution channels and own shops. The company's goal is to carry out a 100% sustainable business.

Since 2006, Tchibo has been actively involved in many projects in developing countries, where it focuses on the sustainable production of coffee, cotton, or wood and ensuring adequate working and living conditions for small growers and factory workers.

"We are responsible for the world in which we live today, and we will live tomorrow. We are concerned about protecting the environment, and we respect the people we work with. We want to enable our customers to purchase products characterised by quality, favourable price, and fair social conditions and environmental protection. Over the past few years, we have worked intensively to make our products and supply chains more accountable. We are proud of what we have achieved, and at the same time, we realize how much more we have to do. Right now, in times of climate change, the decline of natural resources, and rising poverty, we must, as a company, strive to leave the next generation a world in which they can continue to live a quality life. That is why we will continue our efforts," said Nanda Bergstein, Director of corporate responsibility at Tchibo GmbH (Kotýnková, 2019).

Since 2008, they have gradually increased the share of green coffee, the origin of which has been verified or certified by internationally recognised certification organisations. In 2016, more than 40% of Tchibo coffee came from sustainable sources. Responsibly grown coffee is obtained from coffee farms that meet the requirements of the following internationally recognised certification organisations:

Rainforest Alliance

The internationally recognized non-profit organisation Rainforest Alliance advocates improving conditions for people and nature in the countries where coffee comes from.

Fairtrade

For Fairtrade products, customers can be sure that the living and working conditions of farmers and employees have improved thanks to fair prices and premiums.

UTZ Certified

UTZ Certified, farmers have been trained to use better cultivation methods for humans and our planet.

BIO

Only products grown and certified in accordance with strict EU requirements and organic farming legislation can bear the Organic mark.

Interestingly, Tchibo launched the Tchibo Joint Forces project in Honduras in January 2019. The aim is to improve the working and living conditions of the three coffee co-operatives Copranil, Probeca, and Cocrebistol. A total of 262 families of small-scale farmers and several dozen other interested parties are involved in the programme. The project is based on the Brazilian model, which was implemented from 2015 to 2018. The new project is also planned for a period of three years (Fairtrade Deutschland, 2019).

Stop cafe

A network of petrol stations Benzina, from the Unipetrol group, has modernized the concept of its Stop Cafe fast food, called Stop Cafe 2.0. The range has been newly expanded to include healthy meals, breakfast menus, or a menu for vegetarians. The dining areas at petrol stations are also under change, Benzina adds more natural colours and materials. The modernization began in August; by the end of the year, it plans to have upgraded 30 gas stations. Fairtrade coffee and hotdog will continue to be the basic gastronomic item at Benzina petrol stations. To do this, the network complemented burgers or tortillas, in meatless falafel variants. Next, there will be pasta, wraps, or hot sandwiches. The menu will also include yogurts, vegetable and fruit salads, freshly pressed fruit and vegetable juices. Fresh meals created directly on demand of the customer's order (Semerádová, 2017) and will be available at selected petrol stations on motorways.

5.1 Summary of companies comparison

The following indicators were chosen for the purposes of comparison of selected companies of the Fairtrade Czechia and Slovakia platforms:

- company size

- used raw materials and traded commodities
- market orientation
- focus on sustainability
- fairtrade involvement intensity
- distribution paths
- communication of fairtrade

The size of *the company* was based on the number of employees, a company up to 10 employees ranks among micro-enterprises, up to 50 employees is a small business, up to 250 a middle-class enterprise. If a company does not comply with either of the above criteria, it is one of the large companies.

The indicator describing the *raw materials and traded commodities* used is based on the fact that companies process and also trade raw materials and commodities.

The *product-focused* indicator describes those companies that process fairtrade raw materials and trade further in finished products or only trade in final products without any particular change or modification.

The *market* indicator points to market orientation within systems aimed either at companies that further process or trade with a given raw material or product, or to end consumers for whom the product is intended for final consumption.

The focus on sustainability illustrates the focus of businesses on the three main pillars of social responsibility, which are the economic pillar (profit optimisation), the social pillar (aimed at stakeholders and disadvantaged groups of people), and the environmental pillar (environmental protection through sustainable farming methods).

The indicator describing the intensity of *participation in fairtrade* is based on the range of fairtrade products in the company's portfolio, 1 – small representation, 3 – large representation.

Distribution routes are described in the table only based on direct and indirect logistics of fairtrade raw materials from farmers from developing countries. One of the Fairtrade International's conditions is to exclude intermediaries and distributors from the distribution path of a raw material, commodity, or product. This means ensuring an ideal direct trade, i.e., a journey from the farmer directly to the processor, who is also a trader, offering the final product to the customer. However, this cannot always be ensured, so the distribution chain must

be as short as possible. In the store, in general, the more intermediates, the less the farmer gets paid, and the customer pays more.

The *fairtrade communication* indicator is based on the marketing communication tools used.¹⁸

The review shows that most businesses focus on promoting sales, and only the big ones allow themselves to invest funds in advertising, which is most often television. It is the TV ad that has the greatest impact on the company, but it is also the most expensive.

Table 4 contains a list of surveyed companies, as well as a list of indicators that were selected for the purpose of content analysis of selected partner companies of the Fairtrade Czechia and Slovakia. The table shows some differences, for example:

- in the form of distribution paths,
- in the intensity of involvement in the fairtrade, or
- within the tools used to communicate fairtrade

¹⁸ E.g. advertisement, PR, sell support, direct marketing, viral marketing, event marketing.

Table 4 List of selected company indicators

<i>Firma/indikátor</i>	<i>Company size</i>	<i>Legal form of business</i>	<i>Raw materials and traded commodities</i>	<i>Product</i>	<i>Market</i>	<i>The focus on sustainability</i>	<i>participation in fairtrade</i>	<i>Distribution routes</i>	<i>Fairtrade communication</i>
Ben&Jerry	Small	s.r.o.	cacao, coffee, vanilla, bananas, cane sugar	raw materials processing and product selling	B2C	social	3	direct	selling promotion, viral marketing
Fair & Bio	Small	co-operative	coffee	raw materials processing and product selling	B2B B2C	economic, social	3	direct	selling promotion, event marketing, PR
dm	Big	s.r.o.	coffee, cacao, drinks	product selling	B2C	environmental	1	indirect	advertisement, selling promotion
mamacoffee	Small	s.r.o.	coffee, cane sugar	raw materials processing and product selling	B2B B2C	social	3	direct	selling promotion, viral marketing
Florea	Small	s.r.o.	roses	product selling	B2C	environmental	2	direct	viral marketing
Kaufland	Big	v.o.s.	cacao, coffee	raw materials processing and product selling	B2C	economic, environmental	1	direct and indirect	advertisement, selling promotion
Miko Káva	Medium	s.r.o.	coffee, cane sugar, cotton, ceramics, tea	raw materials processing and product selling	B2B B2C	social, environmental	3	direct	selling promotion
Lidl	Big	v.o.s.	coffee, cacao, tea	raw materials processing and product selling	B2C	economic, social, environmental	1	direct and indirect	advertisement, selling promotion
NaZemi	Small	Non-profit organization	coffee	raw materials processing and product selling	B2C	social, environmental	3	direct	event marketing, PR
Tchibo	Big	s.r.o.	coffee	raw materials processing and product selling	B2C	social, environmental	1	direct	advertisement, selling promotion
Stop café	Big	a.s.	coffee	product selling	B2C	social	1	indirect	advertisement

Source: Own processing

In Table 1, I deal with a list of indicators, which include at least one key indicator, which represents a certain degree of performance. This indicator is the intensity of *involvement in fairtrade*, which is defined on a scale of 1 to 3. This indicator can be considered a specific type of process that is checked and should be gradually changed. Another performance indicator could be the price, which is also included as another indicator of the marketing mix. I am not dealing with this possible indicator yet. Price and price creation policy will be part of other research.

All companies listed in Table 4 supply their production through B2C markets. Only 27% of them also trade in fairtrade products in B2B markets. In Table 3, we present the forms of selected companies, which results in a 100% focus on the end consumer.

6 Conclusion

The main goal of the article was to characterize the companies involved in the Fairtrade platform in the EU and the Czech Republic.

Partial objectives were as follows:

- 1) Define the notion of fairtrade/Fairtrade using sources of literature
- 2) Assess the share and structure of companies of the Fairtrade platform in selected European countries
- 3) Compare selected companies of the Fairtrade Czech Republic and Slovakia platform based on a set of indicators

We adopted following methods to meet the objectives:

- Comparison of articles deriving fairtrade problems based on scientific publications
- Evaluation of the representation and structure of Fairtrade platform companies in manufactured European countries
- Comparison of selected companies of the Fairtrade Czechia and Slovakia platform on the basis of selected indicators

The above-presented results show that the term Fairtrade is generally understood as the world's best-known and most widespread system of social certification.

The structure of European countries involved in the various Fairtrade platforms reveals facts about various forms. Some companies focus more on trading in selected commodities, others on brokering, or providing services in the field of fairtrade. However, for most European company platforms, it is possible to find a focus on the actual production of commodities. The available sources, which were successfully verified, show the facts about the supply of fairtrade raw materials, which are traded in the final form. These are common products for us, such as coffee, cocoa, tea, sugar, bananas, and others.

The structure of Fairtrade Czech Republic and Slovakia companies does not differ much from the structures of European countries' platforms. The difference can be observed in the arrangement of partner companies, where only the names and logos of companies are listed, not (as is the case with some European platforms) the division of companies by individual

commodities. The consumers may perceive this fact as unpleasant due to further work with finding information leading to the classification of companies into individual categories of products or service providers.

The hypothesis established in this article was confirmed. The structure of companies abroad differs from the structure of companies in the Czech Republic. Only the number of companies within individual platforms is up to three times the number of platform companies in the Czech Republic.

A partial conclusion of the comparison of companies can be stated that selected companies of the Fairtrade Czechia and Slovakia platform focus both on the processing of fairtrade raw materials and on the mediation of fairtrade products to other companies or end consumers, in various forms. This is either the method of distribution or communication, which are shown in Table 4.

The answer to the research question undoubtedly includes the possibility to offer consumers added value in the form of certified products that have been produced under fair conditions, as well as image. In this sense, the image can also be understood as an added value, and the company can be more competitive thanks to it.

The information obtained from this article leads us to think about the continuation of the further research. From the examined sample of companies, facts emerged that will need to be further investigated in the dissertation through quantitative research (the method of questioning will be used), possibly supplemented by qualitative research in the form of controlled interviews.

It would certainly be interesting to ask other research questions such as:

Why do companies join the Fairtrade platform?

The answer to this question can no longer be obtained only from the content analysis; here it is necessary to conduct another type of research, which we will deal with in the near future.

7 Resources

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