

Public procurement and sustainable development: The market volume for Fairtrade-Products in Swiss municipalities

Situation

Many global social and ecological challenges are related to our consumption behaviour. Everyday products such as coffee, clothes or smartphones are often produced under conditions that are harmful to people and the environment.

The Fairtrade label (<https://www.fairtrade.net/>) guarantees environmentally and socially sustainable production, and producers get a premium on the price.

The “Fair Trade Town” campaign (<http://www.fairtradetown.ch/>) aims to motivate municipalities to use Fairtrade-certified products at the municipal level, to raise awareness of sustainable and fair consumption, and to promote the use of Fairtrade products in communities. With the “Fair Trade Town” campaign, a sustainability process shall be launched at the municipal level, and local businesses, restaurants, cafés, schools, institutions, and the municipal administration are involved. In Switzerland, about 20 cities and municipalities have received the “Fair Trade-Town” label as of 2022.

However, to qualify as “Fair Trade-Town”, the minimal amount of Fairtrade products to be used is very low, and there is no requirement to increase the use of Fairtrade products over time. This limits the initiative’s effectiveness as, from a sustainability perspective, it is all about a substantial increase in the use of Fairtrade products.

Currently, the demand for Fairtrade products is far lower than the supply. Only a fraction of the products created under Fairtrade conditions is sold under the label. Consumers do not sufficiently reward sustainability efforts by producers, and producers do not get the full premiums since they have to sell many certified products as standard products. Substantially increasing demand, i.e., the volume of products sold with the Fairtrade label, is vital to advance global sustainability. Public procurement at the municipal, cantonal, and federal levels amounts to CHF 40 billion, so the potential to advance sustainability through public procurement is significant.

Goal

This Master thesis analyses the full potential of replacing standard products with Fairtrade products in an average Swiss municipality. We partner with Glarus-Nord, a municipality with 20’000 inhabitants. Glarus-Nord agreed to cooperate through the municipal administration, school administration, old people’s homes, utilities, and other operational units under its municipal ownership.

The research shall further analyse the opportunities and limitations emerging from the public procurement law, calculate the additional costs to taxpayers for using Fairtrade

products, and point to sustainability trade-offs where necessary, e.g., using Fairtrade honey or wine versus locally produced options.

As extrapolation, the analysis estimates the potential Fairtrade product volumes – and additional costs – for all Fairtrade towns.

The results will inform the future Fairtrade strategy of Glarus Nord. There is also the possibility to present (preliminary) results at the Fair Trade Town conference in September 2023. In addition, the methodology developed to analyse the municipality's Fairtrade potential shall be made available to all Fairtrade towns in Switzerland.

Tasks

- a) Understanding the state of sustainability: Fairtrade products available; production versus sales volumes.
- b) Analysis of the relevant regulations for public procurement and the scope provided to integrate sustainability criteria into public procurement.
- c) Development of a methodology to establish potential Fairtrade volumes at the level of a municipality.
- d) Data collection and analysis for Glarus Nord.
- e) Calculation of potential for Fairtrade products and related costs
- f) Publication of methodology as tool to be used by municipalities.

Requirements

Open for Master students from

- Economics
- Economic geography
- Sustainability studies

Excellent German language skills

Start: as soon as possible

Contact

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