

Intern Summary

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Internship title: To what extent Fair Trade USA can be implemented in Assilulu, Maluku, Indonesia?

Introduction:

Indonesia is known as one of the largest tuna producers globally, with over 2.5 million small-scale and artisanal fishermen distributed throughout the country, reflecting the importance of sustainable resources for food security and sustainable livelihoods. While many Indonesian people are engaged in fishery, only few of them receive clear information, not only about fair wages for fishermen but also about product flow from the sea to the end of production.

Fair Trade emerges as a market eco-label involving trading partnerships that are open, fair, consistent, and respectful. Fair Trade is a scheme that enables sustainable development and community empowerment stepping forward together. Products certified Fair Trade have met the required standard in various aspects of production, such as environmental conservation, social responsibility, etc. To achieve this goal, the Fair Trade USA team has developed a set of Compliance Criteria as a guidance and primary obligation to be adhered to. Items listed in the Compliance Criteria should be complied with by every actor involved in the nodes of the chain in fishery.

From every Fair Trade product sold in the market, a percentage of the profit margin will be returned to the producing community through a Premium Fund, which then will be managed by a group of Fair Trade farmer association. Every premium fund gained will be invested in social and community development action to improve the quality of life of locals and community.

Empowerment is the utmost primary principle that distinguishes Fair Trade USA from other certification schemes. As an alternative approach to conventional international trade mechanisms, Fair Trade USA realized that the existing problem in agricultural sector production processes is that the small-scale actors are often marginalized from the value chain. Not only is it difficult for them to have direct access to the market, but small-scale actors also often experience unequal economic profit compared to other actors in the value chain. Fair Trade USA logo is a

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guarantee that all workers involved in the value chain of the product will gain equal advantages along the nodes.

The implementation of Fair Trade schemes has been effectively applied in several developing countries including, for example, mango farms in Haiti, banana plantations in Colombia, coffee in Nicaragua, and other agricultural products like tea, sugar, flowers, and plants. While there are many Fair Trade USA products to be found in supermarkets, Indonesia will be the first country to produce Fair Trade USA capture fishery product.

Research question:

This internship aimed to see the possibility of Fair Trade USA capture fishery being implemented in Assilulu – Maluku Province, Indonesia. Main research questions are:

- What is the probability of success and what can be done to support the implementation of Fair Trade USA in capture tuna fisheries in Assilulu, Maluku Province, Indonesia?
- What are the challenges in the implementation of Fair Trade USA in Indonesia, particularly for tuna capture fisheries in Assilulu, Maluku?

Methods:

Techniques for collecting and analyzing data were performed in several ways, including interviews, discussions with groups of people, direct observation, and through document review. Observation was also useful to see current conditions on the ground as well as to enrich the main findings of the research.

To start an interview, a needs assessment questionnaire was constructed based on the conditions observed in Assilulu. Two types of questionnaire were made for fishermen and non-fishermen. The main differences between the questionnaires are on fishery-related questions, for example location of fishing ground, fish landing sites, and total catch per trip.

The introduction of Fair Trade concept was performed through the supplier. Suppliers are considered an important supply chain actor, and there is a bigger chance of fishermen accepting this new scheme from a trusted partner rather from people outside of their community. There were three tuna fishery suppliers available

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in Assilulu and once approval from all suppliers was obtained, personal interview with fishermen can be performed.

Together with the MDPI staff, an initial meeting about Fair Trade concept was held with all fishermen from three suppliers. This meeting aimed to introduce Fair Trade USA to fishermen; how it works and how it will give them benefit, and how it should be implemented. On this occasion, we also invited a speaker who has experiences working on Fair Trade scheme: Mr. Aburman, a farmer of FLO Fair Trade coffee from Flores.

Results:

According to the Compliance Criteria provided by Fair Trade USA, a written needs assessment report is necessary to provide clear background on social, economic, and environmental aspect in the fishing community. In general, there was a positive response to Fair Trade USA as a new scheme that will help community to develop their infrastructure.

During the interviews, two main issues were discussed: fishery-related issue and community infrastructure. All fishermen in Assilulu understood the importance of the environmental-friendly fishing gear that they are use, i.e. handline fishing. They are already familiar with Endangered, Threatened, and Protected (ETP) species that should not be caught and understand on how to handle fresh fish to maintain quality. To maintain fish quality, however, Assilulu still needs a cold storage to keep all catch in a clean and cool place before being transferred to the processing company.

From interview, 99% of fishermen do not put interest in joining any association. After some discussion, there is a different understanding for “association/cooperative” between local and Fair Trade USA perspective: there is a strong hierarchy in local-rural cooperative, while in Fair Trade USA association all member will have same position and voices.

From value chain perspectives, tuna fisheries in Maluku already have a clear, established traceable system from fishermen to market. PT. Harta Samudera (a processing company) already has a system with a special code for each fish landed from Assilulu. If Fair Trade system is implemented, then the processing company

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should have special sticker or system to mark and distinguish Fair Trade product from other regular product.

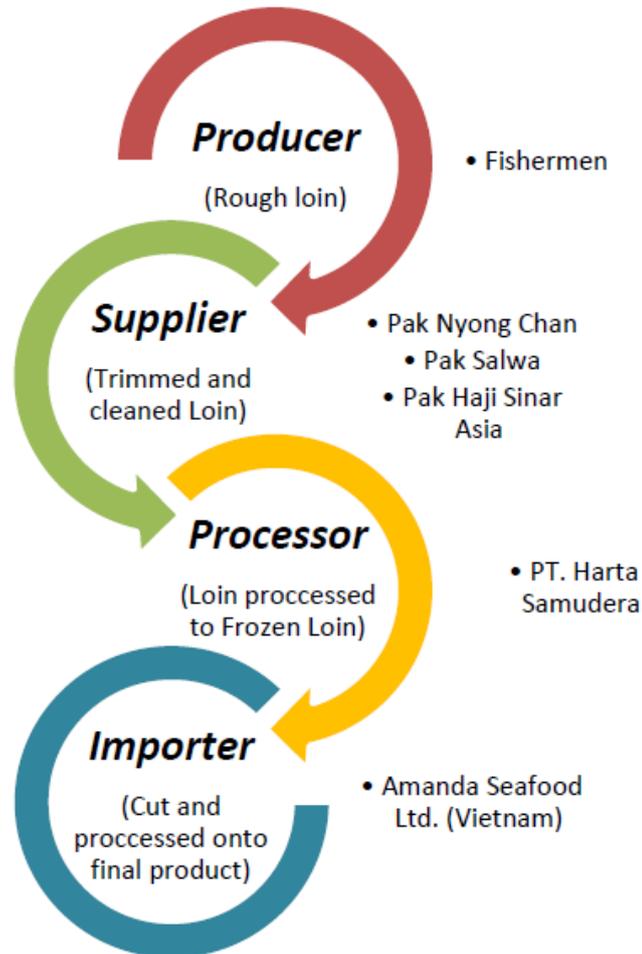


Figure 2. Maluku tuna production flow

Discussion and conclusions:

This internship aimed to investigate the possibility of Fair Trade USA being implemented in Indonesia capture fisheries at community level. The Fair Trade scheme is expected to address current problems in sustainable fisheries: unclear value chain and illegal fisher as competitor which are faced by fishermen. Implementation of Fair Trade scheme is also expected to support community development in Assilulu.

In short, there are three things emphasized in Fair Trade USA:

1. Long term sustainable development of community with safe and healthy working condition (*Equity*)
2. Fight poverty with guaranteed of minimum wages (*Economy*), and

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3. Better environmental practices with the application of ecosystem-based fisheries management (*Ecology*).

As all fishermen already understand the importance of ecology aspect, equity and economy aspect remain as issues to discuss next. The Fair Trade scheme, which promotes transparency and democracy through group forming amongst the producer (fishermen), can be a bridge to help fishermen achieve these two. A fisher group will be essential to monitor important issues in fisheries and by having an association, fishermen will be able to discuss opportunities and hurdles they faced during the process of implementing Fair Trade USA scheme.

To support the implementation of Fair Trade USA in Assilulu, a personal approach to important stakeholders is necessary. In addition to that, building trust in community is vital to maintain relationship with the fishermen. Based on the initial meeting, the Fair Trade USA scheme has a huge chance to be successfully applied in Assilulu, especially if fishermen encouraged to have better positions in the associations and communities.

For the community, Fair Trade USA has a promising future but of course there will be some challenges once Fair Trade USA scheme has successfully implemented, particularly on the flow of the Premium Fund. Transparency is the key to ensure that the Premium Fund is utilized to build or develop something that is useful for the community. The Market Access Partner has an important role to ensure that all actors involved in the chain have a complete and clear documentation of Premium Fund.