

Module
I

Business Environment

Unit 1 Fair Trade



Unit Overview

By studying this unit, you are expected to:

- learn about fair trade;
- know the benefits that fair trade brings;
- learn about the development of fair trade around the world;
- write a letter in reply to a customer's complaint.

Lead-in

Task 1 Do you know any goods that are typically exported from developing countries to developed countries and goods exported from developed countries to developing countries? Complete the table below. Then discuss with your partner and compare the characteristics of the two types of goods.

Goods exported from developing countries to developed countries	Goods exported from developed countries to developing countries
coffee	precision instruments
gold	airplanes
handcrafts	automobiles

Task 2 We tend to buy low-priced goods with high quality. But some may argue that some products are cheaper for a reason: unlimited working hours and unprotected working condition for the workers, exploiting child labor, cost of natural resources and environment. So, would you like to pay extra money to support better trading conditions and promote sustainability? Discuss and give your reasons.

I'd like to pay extra money because...	I would not pay extra money because...
•	•
•	•
•	•
•	•
•	•

Reading A

Setting: Sophie's Café, a local coffee shop brand with three shops, is now under pressure in a very competitive market. The brand owner Sophie wants to find ways to promote the brand and update the brand image. While searching for a new source of coffee beans, she encounters a new term: fair trade.

Starting Point

Task 1 Work in pairs and discuss the questions with your partner.

1. What's your understanding of free trade and fair trade?
2. Do you think free trade contradicts with fair trade?



People have an optimistic view of free trade: more globalizing business, less tariff barriers, no protectionism. In a world of free trade, every country produces its most profitable products under the laws of comparative advantage. Hence, global total output increases and everyone enjoys prosperity. The theory sounds ideal, but the truth is that the international trading system is failing the world's poor. "Free" trade does not mean free from poverty.

Take coffee as an example. When we buy coffee in a supermarket, only a small fraction of the retail price goes to the producer. In 1989, when international coffee prices collapsed, they fell below the cost of production. Supermarkets, coffee shops and large transnational brands continued to make profits, while many debt-burdened growers could hardly scratch a living. Since the start, in 2001, of the Doha Development Round of world trade negotiations, member countries belonging to the World Trade Organization (WTO) have talked about changing world trade to benefit the poor, but they have failed to reach agreement. This makes the concept of fair trade more crucial than ever.

Fair trade is a significant and useful way to bring producers in developing countries into

productive and profitable relationships with their customers. FINE, an informal association of four international fair trade networks, states that “Fair trade is a trading partnership, based on dialog, transparency, and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers.”

The fair trade system helps a lot. With fair trade, producers in poor countries receive a decent return—a fair and stable price or wage for their products. And in many cases they get extra money—a premium—to invest in their business or community. The system also pledges to make the working environment safe and healthy according to local standards, and to make sure that there is no exploitative child labor. It also promotes environmental sustainability and long-term professional partnerships.

There is no doubt that fair trade is growing, especially in terms of the volume of sales worldwide. Behind the sales figures are more than five million producers and their families reaping the benefits from fair trade. Fair trade has huge potential. It can influence and change the world trade system and help poor people and communities work their way out of poverty. Along with trade justice and respect for human rights, fair trade can make a significant contribution to the lives of many people, and help solve world poverty.

New Words



globalize /'gləʊbəlaɪz/ <i>v.</i>	使全球化 to make a business, a company, a product, etc. go all around the world
tariff /'tærɪf/ <i>n.</i>	关税 a tax on goods coming into a country or going out of a country
protectionism /prə'tekʃənɪzəm/ <i>n.</i>	贸易保护主义 a system in which a country helps its own industries by putting taxes on foreign goods
prosperity /prɒ'sperɪti/ <i>n.</i>	成功, 繁荣 the situation of being successful and having a lot of money
fraction /'frækʃən/ <i>n.</i>	小部分, 少量 a small part or amount of something
transparency /træn'spærənsi/ <i>n.</i>	透明度, 公开度 an honest way of doing things that allows other people to know exactly what you are doing
equity /'ekwɪti/ <i>n.</i>	公平 a situation in which everyone is treated fairly
marginalize /'mɑ:dʒɪnəlaɪz/ <i>v.</i>	使边缘化 to make someone or something seem not important or relevant
premium /'pri:miəm/ <i>n.</i>	津贴 an amount of money paid in addition to the usual amount
pledge /pledʒ/ <i>v.</i>	许诺 to promise seriously and publicly to do something
exploitative /ɪk'splɔɪtətɪv/ <i>adj.</i>	剥削的, 利用的 treating people unfairly in order to get some benefit for yourself

Phrases and Expressions

scratch a living 勉强糊口 to manage to earn only just enough money to live

Technical Terms

tariff barrier 关税壁垒
comparative advantage 比较优势

Proper Names

the Doha Development Round 多哈发展回合 (贸易谈判)
the World Trade Organization (WTO) 世界贸易组织
FINE 由四大公平贸易网络组成的公平贸易非正式协会

Understanding the Text**Task 2 Complete the sentences according to the text.**

- In a world of free trade, every country produces its most _____ products under the _____.
- When we buy coffee in a supermarket, only _____ of the retail price goes to the _____.
- In 2001, the issue of whether changing world trade to _____ has been discussed by _____ of WTO.
- Fair trade is a(n) _____ that seeks greater _____ in international trade. It aims at maintaining sustainable _____ by offering better trading conditions to, and securing the rights of, marginalized _____.
- The fair trade system gives producers extra money, that is to say, a(n) _____, for the producers to invest in their _____ and _____.
- The system promises to make working environment _____ and _____.
- The system is an opponent of _____ child labor.

Task 3 Answer the questions with the information you find in the text.

- Why do people have an optimistic view of free trade?
- What happened to many coffee growers when international coffee prices collapsed in 1989?
- What is fair trade, according to FINE?
- What will the producers in poor countries receive in the fair trade system?
- What contributions can fair trade make?

Activity 1 

Do you think fair trade is better than free trade? Have a group discussion on the advantages and disadvantages of each. Complete the table based on your group discussion and see if your group can reach an agreement on which one you prefer.

	Advantages	Disadvantages
Free trade		
Fair trade		

Dealing with Language

Task 4 Find words or phrases in the text which match the following meanings.

1. affecting or involving several different countries
2. to make enough money to live on, but with difficulty
3. treating people unfairly to earn money or gain an advantage
4. a tax that a government charges on goods that enter or leave their country
5. to make something become generally accepted all over the world
6. small part, bit, amount, or proportion of something
7. to make someone feel isolated and unimportant
8. to promise solemnly and formally

Task 5 Complete the passage with the correct form of the words and phrases in Task 4.

Ideally, countries produce their most profitable products and do more (1) _____ business with less (2) _____ barriers in the world of free trade. It seems like possible for everyone to enjoy prosperity. However, free trade failed to diminish poverty. For example, in the case of coffee, only a small (3) _____ of the retail price goes to the producers. And when the prices collapsed, retailers and (4) _____ brands remained making money, while the growers could barely (5) _____ with heavy debt. Fair

trade is a significant and useful way to help the (6) _____ producers regain the equality in the relationship with their customers and secure their rights. The fair trade system aids producers in developing countries in selling their products in fair and stable prices; meanwhile it (7) _____ to improve working environment, exterminate (8) _____ child labor. The influence of the system will make the poor people and communities work their way out of poverty.

Task 6 Translate the sentences with the cues of key words and phrases in brackets.

1. 政府打算降低进口化妆品的关税。(lower; tariff; cosmetics)
2. The mountainous area has always been a tough place to scratch a living. (生活艰难)
3. Parents are demanding greater transparency in the selection process. (透明; 选拔)
4. 新政府承诺会减少犯罪事件。(pledge)
5. 她组织了一场反对剥削性贸易行为的抗议运动。(exploitative)
6. They worked their way out of immense debt by strong will and hard work. (摆脱)



Reading B

Setting: Sophie realized that the fair trade system could be a good way to improve her brand image as well as the lives of coffee growers. So she decided to learn more about Fairtrade-certified coffee beans.

Task 1 Work in pairs and discuss the questions with your partner.

1. Do you like coffee?
2. Can you list some famous types of coffee and some main coffee producing countries?



When Blanca Rosa Molina, a Nicaraguan coffee grower, is asked about the difference that selling through the fair trade system makes, her reply is both simple and devastating. “It makes the difference between whether my family eats or does not eat,” she says.

Blanca farms three hectares of land in the Matagalpa region in the north of Nicaragua. The country is one of the world’s main coffee growing countries and coffee is its primary export crop. Blanca is President of Cecocafen, a cooperative of some 1,200 coffee producers. Like other members of the cooperative, she sells about a third of her coffee in the Fairtrade-certified system.

To Blanca, fair trade is a great help: The fair trade price allows her family to eat, and to keep their land; it enables her children to stay in school and means they can afford basic health provision. The price has guaranteed that she will be able to send her daughter to university and gradually build her own house. Life is getting better and better.

Only the best quality coffee goes to Cecocafen. The emphasis on quality starts at the point of selection of the seeds. Coffee from Cecocafen goes into cooperative coffee brands. The Cecocafen cooperative distributes and markets coffee for its 1,200 members, who decide at general assembly meetings how to use the fair trade premium they receive. Of the money that growers receive for their coffee in the fair trade certification system, a fraction is the amount of the premium that is used for business or community development programs. The fair trade premium has also been invested in processing facilities and a quality control laboratory. This has helped Cecocafen to develop and market its own roast and ground and organic coffee brands, adding value to the coffee in its country of origin.

Blanca would like to sell more of her coffee through the fair trade system. She believes that fair trade isn't only about buying and selling—it also benefits the community as a whole. Asked what her message is to people who buy coffee, Blanca says, “Buy our coffee because it is the best quality, not because we are poor farmers.”

New Words



Nicaraguan /ˌnɪkəˈræɡwən/ <i>adj.</i>	尼加拉瓜的 of or relating to Nicaragua or its citizens
devastating /ˈdevəstetɪŋ/ <i>adj.</i>	令人极为震惊的 very shocking or upsetting
hectare /ˈhektə:/ <i>n.</i>	公顷 a unit for measuring an area of land, equal to 10,000 square meters
cooperative /kəʊˈpərətɪv/ <i>n.</i>	合作性组织 a business or organization owned by the people who work in it and also share the profits
provision /prəˈvɪʒən/ <i>n.</i>	供给, 供应 the act of providing something that someone needs
assembly /əˈsembli/ <i>n.</i>	代表会议 a meeting of people who represent different parts of a large organization
certification /səˌtɪfɪˈkeɪʃən/ <i>n.</i>	认证 the act of giving someone or something an official document that says that they are allowed to do a certain job, that something is of good quality, etc.

Proper Names

Nicaragua	尼加拉瓜 (中美洲国家)
Matagalpa	马塔加尔帕 (尼加拉瓜的一个省)

Task 2 Decide whether the statements are true (T) or false (F) according to the text.

- 1. To Blanca, selling her coffee through the fair trade system means her family can stay away from starvation.
- 2. Nicaragua's primary export crops are coffee and corn.
- 3. The President of Cecocafen determines the use of the fair trade premium.
- 4. All the premium that producers receive is used for business or community development programs.
- 5. Blanca would like to sell her coffee at a higher price due to its good quality rather than growers' poverty.

Task 3 Find words in the text which match the following meanings.

- 1. coming together of a group of people for a specific purpose
- 2. extremely shocking
- 3. the act of certificating something
- 4. a business or organization owned and run by the people involved, with the profits shared by them
- 5. to be able to pay for something
- 6. a situation in which someone does not have enough money to pay for their basic needs
- 7. to make someone or something able to do or to be something
- 8. an extra payment added to the basic rate

Task 4 Complete the interview with the correct form of the words in Task 3.

Journalist: Thank you for taking this interview, Blanca.

Blanca: Your're welcome.

Journalist: So, would you tell us, what's the difference that fair trade system made to your life?

Blanca: It makes the difference between whether my family eats or does not eat.

Journalist: That's a simple and (1) _____ answer.

Blanca: When I realized farming three hectares of land to grow coffee can't make a living, I turned to help.

Journalist: What did you do?

Blanca: I joined Cecocafen, along with other coffee growers. Now, I sell about one third of my coffee, which is (2) _____, in the fair trade system. The money I get (3) _____ my children to stay in school, and the money covers our basic health provision. We can (4) _____ the bills for rebuilding the house, too! Everything is getting better.

Journalist: And you've become President of Cecocafen. That is a huge difference.

Blanca: Yes. But it doesn't mean I can do whatever I want in the (5) _____. We have the quality control system: Only the best quality coffee goes to Cecocafen. And the use of the fair trade (6) _____ we received from the system is decided

by the 1,200 members at general (7) _____ meetings.

Journalist: Everything runs transparently.

Blanca: Right. I want to tell consumers: Buy our coffee because it is the best quality, not because we are (8) _____ farmers.

Task 5 Translate the sentences with the cues of key words and phrases in brackets.

1. 诊断结果令人震惊：他得了肺癌。(diagnosis; devastating)
2. 他没有为孩子将来的教育作任何准备。(provision)
3. 政府向小企业提供帮助，但不能确保它们一定成功。(guarantee)
4. 人们举行集会纪念这位伟大的歌手。(assembly; in memory of)
5. She believes that fair trade isn't only about buying and selling—it also benefits the community as a whole. (整个社区)

Activity 2 ●

Work in groups. Suppose you are the Marketing Manager of Cecocafen and are to run a new round of marketing campaign. How would you sell the Cecocafen coffee with the story of Blanca? Prepare a presentation within the group. Then assign a representative to present the idea of your group to the class.



Listening

Setting: Impressed by Blanca's story, Sophie was considering buying Fairtrade-certified coffee beans. So she made a call to Jim Kelly, a coffee bean wholesale supplier dedicated to fair trade. Jim did not answer her phone so Sophie left a message, asking Jim to call her back and explain fair trade principles. Jim called back after a while and left a message for Sophie.

Task 1 Listen to the message in the voice mail. Complete the note according to what you hear.



Message Note

- (1) _____ from the Happiness Coffee (2) _____ called.
- It is a green coffee importing cooperative committed to building and supporting (3) _____ and (4) _____ relationships for the benefit of (5) _____ and their (6) _____ cooperatives, families and (7) _____.
- Their principles are:
 1. Creating opportunities for economically (8) _____ producers;
 2. Developing (9) _____ relationships;
 3. Building capacity;
 4. Promoting (10) _____;
 5. Paying (11) _____ and (12) _____;
 6. Supporting safe working conditions;
 7. Ensuring the rights of (13) _____;
 8. Cultivating environmental stewardship;
 9. (14) _____ cultural identity.

Setting: Tom Wilson, Sophie's partner, has some doubts about Sophie's decision to purchase Fairtrade-certificated coffee beans. So he discusses the issue with Sophie.

Task 2 Listen to the conversation between Sophie and Tom. Choose the answer to each question according to what you hear.



- Which of the following statements is true?
 - Tom is happy about the change of coffee bean supplier at first.
 - Sophie has discussed the change with Tom before.
 - The price of the usual beans is better than that of the Fairtrade-certificated ones.
- Why did Sophie decide to make the change?
 - She wanted to improve the brand image.
 - She didn't like the usual supplier.
 - She believed the price of the usual beans was too low.
- Which of the following should NOT be considered by a coffee shop when they look for ethical suppliers?
 - Working hours, safety.
 - Working conditions, minimum wage.
 - Maximum wage.
- Which of the following is NOT the advantage of buying fair trade products?
 - It is good for long-term planning and sustainable production.
 - It is good for consumers to have high quality products with lower price.
 - It is good for promoting more environmentally friendly farming methods.

Setting: After a thorough discussion, Sophie and Tom both agreed to change the coffee bean supplier, and work with Jim on the fair trade project.

Task 3 Listen to the passage on Sophie's Café. Complete the answers to the questions according to what you hear.

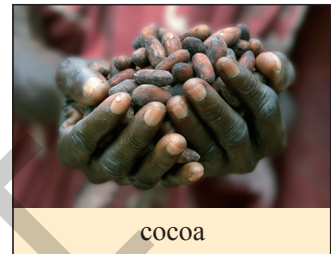


- Q: What is the new slogan of Sophie's Café?
A: The new slogan is _____.
- Q: Why did the customers accept the slight increase in price?
A: Because the customers actually taste the _____ in the coffee served, and they know more about how fair trade coffee transforms the lives of _____.
- Q: How would producers benefit when Sophie places orders in advance?
A: They could _____ with some security.
- Q: How does Sophie see the building of long-term trading relationships?
A: She believes that it _____ to develop the highest level of understanding about each other's needs and constraints, gives the coffee growers _____ and _____ of income, and provides them with a(n) _____ livelihood.

Communication Project

Setting: The annual Mock Business Summit of your university is around the corner. This year, you are assigned by the organizer to prepare for a “Fair Trade Exhibition” at the summit.

Task 1 Form a group of 6 or 8. Each group choose one from the following products and do your research about fair trade in that field.



Note

Your research should focus on the following aspects:

- main producing countries of the product
- challenges faced by farmers or workers in that sector
- key statistics
- organizations and campaigns

Task 2 Report the research result of your group to the class.

Writing

Setting: Recently, Sophie's Café has received quite a few complaints about the higher price of coffee served in shops. Some customers say that they have found other coffee shops serving cheaper coffee with the same quality. So, Sophie is about to write a letter to apologize and explain the issue to customers.

Task 1 Work in groups. List the items you think should be included in a letter of apology.

Task 2 Complete the letter for Sophie.

Dear Customer,

Thank you for _____ regarding

_____.
Please accept my apologies.

We try very hard to make sure that all our coffee is of high quality. Since last month,

_____.
The new supplier _____.

The fair trade products _____.

_____.
Therefore, you are paying extra money for the sustainable development of the industry, for better environment, and in the long run, to diminish poverty for the producers.

I am enclosing _____.

If I can be of any further assistance to you, please do not hesitate to contact me.

Yours sincerely,

Sophie