



Development in Practice >

Volume 19, 2009 - [Issue 6](#)

6,318 63

Views | CrossRef citations to date | 18

Altmetric

PRACTICAL NOTES

# Measuring the impact of fair trade on development

Ruerd Ruben, Ricardo Fort & Guillermo Zúñiga-Arias

Pages 777-788 | Published online: 22 Jul 2009

📄 Cite this article 🔗 <https://doi.org/10.1080/09614520903027049>

Sample our  
Global Development  
Journals



>> **Sign in here** to start your access  
to the latest two volumes for 14 days

📄 Full Article

📊 Figures & data

📖 References

📄 Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

## Abstract

This study of the impact of fair trade relies on new field data from coffee and banana co-operatives in Peru and Costa Rica, including a detailed assessment of its welfare effects by comparing FT farmers with non-FT farmers as a benchmark. Attention is focused on three major effects: (a) direct tangible impact of FT arrangements on the income, welfare, and livelihoods of rural households; (b) indirect effects of fair trade for improving credit access, capital stocks, investments, and attitudes to risk; and (c) institutional implications of fair trade for farmers' organisations and externalities for local and regional employment, bargaining, and trading conditions. Although direct effects in terms of net income remain fairly modest, important benefits are found to include capitalising farmers and strengthening their organisations.

Keywords:

---

## Acknowledgement

The authors gratefully acknowledge funding from Solidaridad, The Netherlands, for the field research reported in this article.

---

## Notes

A commonly used balancing score is based on the probability of participating in the programme as determined by a set of observable exogenous characteristics (Rosenbaum and Rubin 1983). The propensity score (p-score) is estimated for each farm-household by using the regression's predicted probability of having FT certification. Considering the distribution of the propensity scores, we identify the regions of 'common-support'. These regions are set after eliminating the observations in the non-participant group with a p-score lower than the minimum p-score in the participant group, and the observations in the participant group with a p-score higher than the maximum p-score in the non-participant group.

Community-level outreach of FT is particularly related to the investments made using the FT premium, which is frequently used for building primary schools, community health services, road improvement, public electrification and water provision, transport facilities, and other general services. According to FLO rules, this premium cannot be allocated to individual farmers or workers, and should be used for community activities. In the case of scattered settlements, however, it is difficult to select a location for such investments. It is therefore not uncommon to see the premium piling up in a bank account. Sometimes, the premium fund is then used for loan purposes.

---

## Additional information

Notes on contributors

Ruerd Ruben

Ruerd Ruben (corresponding author) is Professor in Development Studies at the Centre for International Development Issues (CIDIN) at Radboud University Nijmegen in The Netherlands.

Ricardo Fort

Ricardo Fort is a researcher at the Grupo de Analisis para el Desarrollo (GRADE) in Peru.

Guillermo Zúñiga-Arias

Guillermo Zúñiga-Arias is a researcher at the International Centre for Political Economy and Sustainable Development (CINPE) at the Universidad Nacional in Costa Rica.



Related research ⓘ

People also read

Recommended articles

Cited by 63

## Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

## Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

## Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

## Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG