

This paper deals with the concept and current form of fair trade – business cooperation with producers in developing countries to the end of ensuring them a higher standard of living through offering them better prices for their products. The study summarizes the development of fair trade since its establishment in the forties of the last century till the latest stage, which is characterized by internationally recognized certificates being issued for products made in fair trade production. The paper also attempts to identify and clarify important moments which encouraged the implementation of this initiative.

In the second part of the paper the author focuses on a more detailed analysis of how fair trade works. She identifies its differences from conventional trade and, using coffee as an example, demonstrates price differences in both distribution channels. Further she maps the volume of fair trade within Europe and over the world, arriving to the conclusion that this sector has been significantly growing in the last few years. As a determinant of the future development of fair trade, she accentuates sufficient interest of customers in fair-traded products. In the last chapter she discusses problematic areas and the critique of the concept.