



CodePamoja

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Fair Trade Software and Scrum Training in Nairobi

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Fair trade, is a well-established concept in international trade that has long focused on commodities, particularly on agricultural and craft products that are exported from developing countries to developed countries. The key aim of Fair Trade has been to protect and secure the rights of marginalized producers and workers in developing countries.

This concept is now finding its niche in the information technology field as a way of protecting and securing rights for software developers in developing countries. Fair Trade Software (FTS) concept is an economic model for software development that will deliver high-quality and cost-effective software for corporate customers whilst stimulating growth of knowledge for various economies in developing world.

The FTS concept is already in application in Kenya amongst few IT companies. However in bid to boost its penetration a programme dubbed 'CODE PAMOJA' in collaboration with Competa IT which is a Dutch IT firm in conjunction with German government, will be providing free accelerated information technology training workshops based on the latest and upcoming software's and applied skills in the IT field. This will give upcoming software developers an opportunity to participate in international projects.

This new initiative will see two local IT firms BTI Millman and Dew CIS Solutions partner with the Dutch firm Competa IT to offer systematically coined strategies and IT components that will allow for trainees to acquire a multifarious skill set to better serve the ever growing ICT market in East and central Africa. The initiative will provide for an opportunity for local developers to bridge the ever widening gap between the international IT best practices that limits progress in the development of the IT sector in Kenya.

The objective of Fair Trade Software is to help by actively involving programmers in developing countries ("Partners") in projects with teams located in OECD countries ("Providers") employment can be created in the developing country, knowledge and skills transferred, and the sector grown. This way, development software can meet the criteria for Fair Trade.

We have a list of stakeholders teaming up to make this endeavour possible, namely:

1. [Competa IT](#)

This is a Dutch IT service firm that was founded in 1997 to design, build and maintain IT infrastructure for large corporations in the Netherlands. The company has been, since 2006, involved in software development and more specifically in web development. Competa conceived the concept of Fair Trade Software in 2010 and began actively developing the initiative in 2011 in cooperation with stakeholders in Nairobi Kenya.

2. [BTI Millman](#)

BTI Millman is an IT Solutions Provider specializing in the provision of web and mobile based software solutions. The multi-award winning company is located in Nairobi and has been actively participating in the FTS since 2011.

3. [Dew CIS Solutions](#)
Dew CIS is a Nairobi based IT services and solutions provider. It offers a wide range of Consulting, Application Development and Systems Integration services as well as acting as reseller for a number of software products. The company has been involved in the FTS initiative since 2011.

4. [Web Essentials](#)
Web Essentials is a leading provider of websites and web application services based in Cambodia. The company has been providing services to leading companies in Europe and Asia for the past 5 years. Web Essentials have been involved in the FTS initiative since 2014.

5. [FairSource Ltd](#)
FairSource Limited is a start-up firm promoting the FTS model and offering consultancy services to organisations that wish to be involved in FTS, whether as a customer, Provider, Partner or in any other capacity.

6. [The Hague University of Applied Sciences \(HHS\)](#)
Interns from the HHS in the Netherlands have helped to develop the FTS concept, and since 2014 FTS has been used as an example of Shared Value Creation for the HHS Sustainability minor. Staff from the HHS have actively participated in the project, and FTS is being used to build an online course-booking application for foreign exchange students.

7. [Sequa gGmbH](#)
Sequa is a German non-profit development organisation promoting the development of private sector and business membership organisations as well as vocational qualifications. Programmes and projects are both publicly and privately funded and are oriented at the principles of a social market economy. Sequa's aim is to sustainably improve the living and working conditions of as many individuals as possible. Sequa is a joint partner with Competa in a project to provide IT training in Nairobi, funded with assistance from the German Federal Ministry for Economic Cooperation and Development programme.

8. [The Fair Trade Software Foundation](#)
Dutch-registered non-profit organisation Fair Trade Software Foundation was formed in 2011 to apply the internationally recognized Fair Trade model to the IT industry. Interns and graduates from the University of Applied Sciences in The Hague translated existing Fair Trade frameworks into a model workable in the software industry. The FTS Foundation acts as audit and accreditation body for companies wishing to participate in FTS projects.

To date, three Partners have registered with the FTSF, two in Kenya (DewCIS and BTI Millman) and one in Cambodia (Web Essentials). Talks are currently being held with further potential Partners in Myanmar, and interest has been shown from other organisations in Ghana, Nepal, Bolivia and Cape Verde. Competa is currently the only active Provider.

Sale of Fair Trade products is almost exclusively a business-to-consumer (B2C) transaction. In order to be viable it is important that the FTS model does not rely on charity, idealism or philanthropy - there has to be a value proposition that addresses the needs of each stakeholder or the concept will not work. A chain of four key stakeholders were defined, each with one or more perceived requirements which would have to be satisfied by FTS, i.e.:

- ✚ Consumers care about the sustainability credentials of a business and it can be a consideration when making purchasing choices.
- ✚ Customers are mid and large-sized corporations who need to find innovative ways to demonstrate sustainability credentials in order to build reputation, attract and retain customers.
- ✚ Providers are mid-sized IT companies located in the OECD, with a proven track record supplying software development services to the mid and large-sized corporations in their own market.
- ✚ Partners are small IT companies located in developing countries who wish to collaborate in projects to produce software using the FTS model.

The FTS model is designed to satisfy the needs of each stakeholder by using the Provider as a bridge between Customer and Partner. Because the Provider is in the same region as the customer, it is possible to work closely with the business and use agile methods.

In order to encourage adoption of the FTS model, low barrier to entry was a key requirement. The FTS framework has been designed in such a way that it is very easy and low cost for companies to become Providers or Partners. In particular the framework does not require any up-front investment by Providers. Providers can be registered for the duration of individual projects, after contracts for software projects with end customers have been agreed.

How do Fair Trade principles apply to FTS?

Fair Trade principles can be employed in the Fair Trade Software concept by;

1. Creating Opportunities for Economically Disadvantaged Producers
2. Transparency and Accountability
3. Fair Trading Practices
4. Payment of a Fair Price
5. Ensuring no Child Labour and Forced Labour
6. Commitment to Non Discrimination, Gender Equity and Freedom of Association
7. Ensuring Good Working Conditions

8. Providing Capacity Building
9. Promoting Fair Trade
10. Respect for the Environment

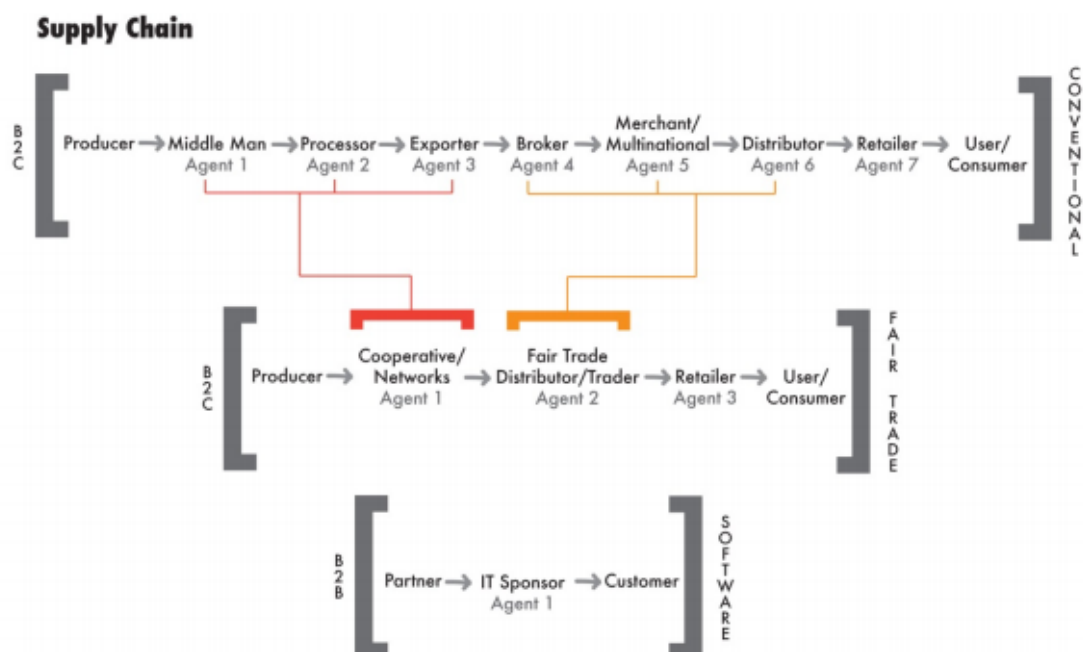
FTS and common criticisms of Fair Trade

“A good example of this difference in perspective is the fair trade movement in purchasing. Fair trade aims to increase the proportion of revenue that goes to poor farmers by paying them higher prices for the same crops. Though this may be a noble sentiment, fair trade is mostly about redistribution rather than expanding the overall amount of value created. A shared value perspective, instead, focuses on improving growing techniques and strengthening the local cluster of supporting suppliers and other institutions in order to increase farmers’ efficiency, yields, product quality, and sustainability. Fair trade can increase farmers’ incomes by 10% to 20%, shared value investments can raise their incomes by more than 300%.” (Kramer & Porter, 2011, p. 5, par 4).

For example, some common criticisms of Fair Trade which FTS resolves:

- Premiums don’t reach producers
- Fair Trade creates dependency
- Fair Trade harms non-Fair Trade
- Price fixing, middlemen and supply chain monopolisation, among others.

Below is a model of the Fair Trade supply model:



Software Development Training in Kenya

In May 2015 Competa entered into a joint project “Enterprise Software Development Training for Kenyan IT professionals” with German development organization Sequa, funded with assistance from the German Federal Ministry for Economic Cooperation and Development programme. The aim of the project is to catalyse further development of the Kenyan IT sector by providing training in modern software development techniques for Kenyan IT professionals from local companies and universities.

Anticipated Direct and Indirect Impacts of the Competa/Sequa project can be listed as the following:

- Vocational and on-the-job training, learning best practices in software development.
- Access to the international IT market through joint implementation of large IT projects with Competa.
- Access to midsize and eventually large local projects in Kenya (currently most of these projects are outsourced to foreign IT firms).
- Enhanced employability for IT professionals.
- Broadening of know-how for academic discussion and research for universities.
- Contribution to the further development of the Kenyan IT industry.
- Contribution to the transformation from a low value primary economy to a high value knowledge economy.
- Import substitution as local IT companies will build up the skills to implement large IT projects.
- Access to international markets.
- Job creation.
- Increase of the potential of digital employment for youth and other marginalized groups.
- Ability to service demand for mid-sized IT projects, many of which have substantial benefits for Kenya, e.g. e-health projects.

FTS combines ideas from Fair Trade and Impact Sourcing to implement a model for software development that stimulates growth of knowledge economies in developing countries. The model attempts to resolve common criticisms of Fair Trade, and avoids problems sometimes experienced with offshore outsourcing related to physical and cultural difference.