An Analysis of Trade-offs: The Artisan Fair Trade Sector

Stephanie Leiderman
stephleiderman@hotmail.com

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An Analysis of Trade-offs: The Artisan Fair Trade Sector

Stephanie Halbert Leiderman
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And accepted on the recommendation of

David I. Bell Ed.D., Chief Instructor
Abstract

An Analysis of Trade-offs: The Artisan Fair Trade Sector
Stephanie Halbert Leiderman

This paper examines the history, frames, critiques and current applications of Fair Trade in the artisan sector, with an eye to raising up the specific trade-offs being made, and their implications for an evolving artisan market in the global north and south. It includes a discussion of the history of the Fair Trade idea, including that sector’s increasing focus on certification, agricultural commodities, and corporate involvement. It investigates the potential lessons the artisan sector can learn from the agricultural one, as well as the lessons learned from current actors in the artisan Fair Trade field. Using a continuum of trade-offs as a model, this paper provides an analysis of the ongoing decision-making processes such actors engage with, acknowledging the complexity of the sector and the many examined and unexamined positionalities of different stakeholders.

David I. Bell Ed.D.,
Chief Instructor

Nigel O. M. Brissett, Ed.D.,
Assistant Professor
Academic History

Name: Stephanie Halbert Leiderman  Date: May 2018

Baccalaureate Degree:

Bachelor of Arts in History, December 2009
University of North Carolina, Asheville, NC

Other Degree:

Haywood Community College, Clyde, NC

Occupation and Academic Connection:

Project Director, November 2012 to present
Center for Assessment and Policy Development, Philadelphia, PA
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Introduction

The artisan sector is the second most common livelihood strategy in the global south. It also tends to disproportionately employ women and other marginalized groups (‘Fact Sheet’ Accessed 2 January 2018). Not surprisingly, many actors in development and in the business world are trying to leverage this sector for the economic empowerment of poor artisans. They are trying a number of approaches, the most prominent of which is the Fair Trade framework. Within the artisan Fair Trade sector, multiple strategies have been explored. Each of these strategies requires trade-offs: about the distribution of money; the distribution of power; the fidelity of the product to its cultural and, sometimes, spiritual roots; and the goals and groups that are privileged when these trade-offs occur. Whether these trade-offs are unexamined or explored with care and nuance, they are essential to functioning within the Fair Trade system.

The purpose of this paper is to lay out the history, frames, critiques and current applications of Fair Trade in the artisan sector, with an eye to raising up the specific trade-offs being made, and their implications for an evolving artisan
market in the global north and south. In exploring these, I hope to also contribute to some key questions for the field:

- What can we learn from the experiences, challenges and critiques of the Fair Trade sector to date? What lessons come from the certification debate in Fair Trade agriculture? How can the artisan sector meaningfully incorporate the critiques of the current commodities certification system?
- What are some of the ways that Fair Trade artisan groups currently contribute to equity and empowerment for marginalized individuals? What are some of the explicit trade-offs they make in order to do that? What seem to be some of the implicit trade-offs? What structural challenges impact this decision-making?
- How can the Fair Trade artisan sector explore ways to address larger issues of global inequality, in terms of locus of power and control? What unexamined assumptions need to be addressed?

In order to investigate the ways in which trade-offs are made in fair trade artisan work, I will first provide some key context about the Fair Trade movement. I begin by examining the core spiritual, philosophical and political roots of Fair Trade, and then outline the movement’s change over time. This includes the current divides between certified agricultural commodities on the
one hand, and less-strictly regulated artisan products on the other. I will trace
the split between these strategies by looking at how agricultural certification
gained supremacy in the field, and investigating some of the critiques that have
followed that ascendancy. I include a discussion of the corporatization of Fair
Trade – seen as a dilution of founding principles by some and as a way to
maximize the movement’s reach by others. I also discuss the available evidence
of impact of agricultural Fair Trade on southern producers and workers. By
looking at the critiques of certified agricultural commodities as mainstream
practice, I will explore the lessons that might be translated to the craft sector as
it explores more transparent and rigorous certification. Finally, I will investigate
the status and challenges within Fair Trade artisan organizations by exploring
the strategies of three groups working in that sector. These include a large
northern-based ATO (Alternative Trade Organization), a partnership between a
southern cooperative and a northern designer/retailer; and a small, place-based
southern cooperative. Each of these configurations highlights the challenges,
compromises and power dynamics at play in the Fair Trade artisan sector. By
examining how they each understand and make decisions, I will deepen the
analysis of how different sector actors conceptualize the trade-offs inherent in
the work.
Chapter 1: History of Fair Trade and Commodities Certification

The concept that would become Fair Trade originated in the 1940s, and was initially centered around small-scale craft production in the global south. Activists and advocates from the north travelled to sites of production and built relationships with artisans and artisan groups, imported their goods and sold them in the north, often in specialty shops, at churches, or at fairs and festivals. From this era emerged several Alternative Trade Organizations (ATOs) that were explicitly tied to religious groups who made contact with southern artisans through service and mission work. These early organizations included SERRV (Sales Exchange for Refugee Rehabilitation and Vocation), founded by Church of the Brethren members, and Ten Thousand Villages, founded by, and initially largely selling to, Mennonites (Marston, 2012, p164). Initially, these northern-based ATOs served as middle-men, importers, as well as advocates on global inequality to northern consumers.

As ATOs grew in number and reach, they began strategizing together for the future of the Fair Trade movement; throughout the 1970s, they met for a series of informal conferences. By 1989, the first official confederation of ATOs formed into the International Federation of Alternative Trade (IFAT, now the World Fair Trade Organization, or WFTO); additional organizations formed
throughout the 80s and 90s. (Sarangi, 2017). Together, these organizations continued to refine and standardize their collective understandings, goals and strategies, leading to the FINE statement in 2001, which formalized a mutually agreed-upon definition for Fair Trade, now frequently used in the field:

“Fair Trade is a trading partnership, based on dialogue, 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 – especially in the South (FINE, 2001).”

There are two major strands of thought that ran through the early Fair Trade movement – first, religiously-motivated ethical consumerism in the 1940s, and second, politically-motivated economic activism in the 1970s and 1980s. As mentioned, a significant number of the ATOs that emerged in the late 1940s were religiously affiliated. For many of these initial advocates in the north, Fair Trade was connected to their faith and to their commitment to alleviating world poverty, and achieving justice, through development projects (Marston, 2013, p168). That legacy is evident in the role religious, and particularly Christian, groups continue to play in managing ATOs and in supporting northern sales of Fair Trade goods. Catholic Relief Services (CRS), for example, suggests that consumers of faith should consider the idea of ethical trade because “A faith-filled approach [to shopping] would be to buy only the things you truly need,
and even then, to purchase ethically produced products” (Global Impact, Accessed 3 January 2018). In Rethinking Mission, Reverend Richard Tucker echoes this idea, and indeed ties it to later political strands – by defining ethical consumption as obligatory for Christians, and by questioning how a market driven by profit at the expense of people can be in alignment with following Jesus’ teachings (Tucker, 2008, p3).

The political and activist strands of the Fair Trade Movement emerged in the 1970s and 1980s, in reaction to neoliberalism’s calls for free and unfettered markets (Marston, 2013, p164). For instance, Equal Exchange got its start by importing Nicaraguan coffee following the 1986 Reagan administration boycott of the country, acting in opposition to that political decision and in support of the Sandinista movement (Levi and Linton, 2003). This was in line with a general show of solidarity – northern activists sought to make a display of importing and consuming goods produced by actors who were marginalized and excluded by the current markets (Renard, 2003, p89). These political motivations are one reason that coffee emerged as a politically symbolic commodity in Fair Trade. The International Commodity Agreements (ICA), from 1962 to 1989, controlled global coffee pricing, and caused a “coffee crisis,” accompanied by massive loss of revenue for coffee producers, particularly in Central America. In response,
specialty coffee, produced by smaller land-holders, gained ground among politically aware and quality conscious consumers in the north (Bacon, 2003, p101). Radical activists saw coffee as central to solidarity with the oppressed; California-based members of the Central American Peace and Solidarity Movement, for instance, took trips to Nicaragua to raise their consciousness, and brought coffee - and the political message it represented - back with them (Bacon, 2003, p104).

Emphases on certification and agriculture in the Fair Trade movement occurred at roughly the same time, and are linked for practical and circumstantial reasons. The first official certification effort occurred in 1988, through Max Havelaar, a Dutch company created to sell Fair Trade coffee in mainstream outlets, including supermarkets, via its own certification and labeling system. Certification, along with this new, less specialized distribution model, changed the face of Fair Trade, increasing accessibility, sales and recognition in the north. Max Havelaar inspired others, including the umbrella group, Fair Trade Labelling Organizations (FLO), founded in 1997 and now the largest such organization in the world (Marston, p165-166).

This new certification model measured “fairness” in trade primarily via two major mechanisms – a guaranteed minimum price paid to commodity
producers, and a price premium, which producers are expected to set aside for the purpose of community improvement (for example, via building schools or hospitals). The model also emphasizes democratic decision-making at the producer level, and typically makes requirements about the age, wage-rates and general safety of workers (Drangasu and Nunn, 2014, pp 1-2). Critically, this model of Fair Trade functions on a voluntary, opt-in basis, allowing businesses to participate for individual products or product-lines without making substantial changes to other aspects of their operations, and de-emphasizing the movement’s focus on state regulation for worker/producer rights (Jaffee, 2012).

There are four major international Fair Trade certification bodies acting today, each with somewhat different rules, labels, and areas of focus: the WFTO, formerly International Federation of Alternative Trade) the European Fair Trade Organizations (EFTA), Network of European Workshops (NEWS!) and FLO (Renard, 2003, p 88). There are currently four additional bodies for the US market, which officially split from the international one in 2012 - Fair Trade USA (formerly Transfair, which was the only certifying body in the US until 2006), Fairtrade America, Fair for Life, and the Small Producer Symbol (Howard and Jaffee, 2015).
Today, Fair Trade in the north is largely associated not with craft products, but with agricultural commodities – especially cotton, bananas and coffee, which account for the largest volume of “Fair Trade certified” goods sold in the United States and Europe. In 2014, Fair Trade America reported $1,099,717,435 in sales, a 33% increase from the previous year. Worldwide, sales were estimated at $8.7 billion, a 16% increase, in the same year (Fairtrade Annual Report, 2016). Despite the array of labels on the market, certification appears to have yielded results, at least for northern consumers and associated brands and businesses. A 2011 study of 17,000 northern consumers, conducted by Globescan, and funded by FLO, indicates that the Fairtrade certification mark enjoys high recognition (65%) and trust among northern consumers. 64% of those surveyed associated the label with helping farmers and workers escape poverty; 61% associate it with fair pay for workers, and assistance to farmers in poor countries. (Globescan, 2011). Similar studies focusing on the U.S. market found that consumers were more likely to buy the same coffee when it carried a Fair Trade label instead of a generic one, leading to a 10% increased sales rate for the “Fair Trade” brand (Hainmueller, 2014).
The Certification Debate in Fair Trade Agriculture

As we have seen, the Fair Trade movement has made significant strides in terms of visibility, scale and recognition in the north, and certification is in some ways responsible for this. Certification is both business and consumer friendly. It is compatible with Corporate Social Responsibility movements, in that it allows corporations to show consumers a commitment to worker benefit through a single channel, without requiring major change to others. Consumers in wealthier countries recognize the label(s), associate them with better outcomes for the world’s poor, and thereby increase their likelihood to buy labelled products and to think favorably of the brand carrying that label (Globescan, 2011). Certification, then, benefits northern consumers by alleviating ethical concerns, providing space to make political decisions via consumption.

As certification has become the new standard model, however, critics have emerged. Most centrally, they cite the limited evidence of positive impact for southern workers compiled to date (see following section). In addition to this, critical arguments center on a few key points, including concerns about “fairwashing” and co-option of the movement by corporate actors, increased burdens the system places on producers, and the de-politicization of the movement, making it more money- than mission- driven.
Starbucks’ entry into the Fair Trade sphere illustrates a number of the critiques around corporate involvement. By partnering with Transfair (now FTA) in 2000 to certify a niche line of Fair Trade beans, Starbucks significantly opened the United States’ market for Fair Trade labelled goods. At the same time, this deal gave increased influence to FTA, to Starbucks and, later, to other corporate partners. Jaffee points out that certification bodies by themselves “are not the movement” (Jaffee, 2012, p100). They have gained outsized control of the concept of Fair Trade, but they were only ever meant to be one part of a larger strategy. This emphasis on certification may have increased access for northern consumers, and sales, but it has displaced activists and advocates who have different and often more holistic, radical or less “business-friendly” goals about what Fair Trade means, and is meant to accomplish. Further, Starbucks’ deal with FTA set a precedent that Fair Trade products could be a very low percent of a company’s output and that company could still be eligible for the marketing benefits of carrying Fair Trade labeled goods. FTA required Starbucks to offer certified coffee in all of its locations as part of the initial 2000 deal, but failed to set limits on either volume or percentage of sales or products; perhaps as a result, Starbucks made about only about 1% of its coffee Fair Trade. The fear is that this dilutes the message of such labels, and sets too low of a barrier for
entry for corporations, who receive similar benefits in reputation regardless of quantity (Jaffee, 2012, p106).

Fridell elaborates on these points with regards to the deal between FTA and Starbucks, noting that Starbucks fails to incorporate a key aspect of the Fair Trade strategy by leaving education and advocacy out of the process (Fridell, 2007). Contrasting the corporate chain with a small-scale roaster and distributor in Toronto, Planet Beans, Fridell notes that the latter includes focus on shared ownership among workers, building solidarity among northern and southern workers, and educates the northern consumer on how Fair Trade is meant to create equity and disrupt power – all actions Starbucks does not do (Fridell, 2008, p86). Fridell also places the Starbucks deal within a framework of Corporate Social Responsibility (CSR), which he defines as inherently reactionary, conducted in response to negative press, rather than a proactive, mission-driven strategy. The FTA arrangement occurred only after protests and campaigns targeted the corporation for pulling out from standards set by the US/Guatemalan Labour Education Project, and in advance of a planned nationwide protest (Fridell, 2008, p87). More broadly, the fact that Starbucks links Fair Trade and CSR means that profit and shareholder interests will always remain the priority, as the goal of CSR is to enhance a brand’s image and
increase sales (Fridell, 2008, p88). Finally, Starbucks’ supposed commitment to equity and workers’ rights as demonstrated by the Fair Trade initiative is undermined by other choices the company has made, including employing Washington State Prison laborers at very low wages to create packaging, and making moves to undermine unionization among its northern store workers, despite the centrality of freedom of unionization within Fair Trade principles (Fridell, 2008, p88-89).

Another critique of corporate actors’ control of the Fair Trade space has less to do specifically with certification, but more with concerns about ceding control of power and narrative to for-profit interests. Critics are wary of allowing corporations to control the stories that are told in the north about southern poverty and producers. For example, Burke describes a partnership between the Body Shop and an indigenous group in the Brazilian Amazon - a case where the marginalization of the producers is particularly acute. Burke calls attention to the fact that resource extraction in this space requires extensive local knowledge and skill, but that marketing materials produced by the Body Shop focus instead on local deficit (economic poverty) (Burke, 2010, p43). Because corporations hold much more ability to widely tell their stories, theirs is the narrative that will be most heard, and likely most accepted. And they have an
inherent incentive to portray themselves in the best possible light, which often means promoting a one-sided, savior narrative (Burke, 2010, p45).

For some critics of Fair Trade agricultural certification, the issues are not only in implementation, but in the very structure of the system itself. For example, Renard argues that the compromises and dilutions visible in the Starbucks deal are an inevitable result of how Fair Trade certification is structured and situated. The system depends on the market, emphasizing increased sales as the means by which the intended social good can occur and spread to scale. But such market-driven initiatives are inevitably “reabsorbed” by economic actors to meet their own ends. Just as Starbucks is driven more by its sales and reputation than by the impact of Fair Trade on producers in the south, other businesses will continue pressuring for lower standards that cost less money, fewer barriers to entry to the Fair Trade market, and for less politicization, and more control, of the movement. To meet its goals, then, certification cannot be an opt-in, voluntary process that creates a niche market of “ethical” goods; the Fair Trade movement must instead pressure state actors to make such standards mandatory through regulation (Renard, 2003, p.95).

Another common critique of certification is that the rising supremacy of certifying bodies (as seen in the FTA and Starbucks example) has led,
simultaneously, to overcrowding and confusion in the market. There are now four major bodies in Europe, and four in the United States - all work from different standards for certification, and offer different labels. Additionally, these standards may be insufficiently defined, or differently defined, and are not always transparent. For example, terms like “small producer” are not always clearly understood, and may definitions may vary widely across different groups (Ballet and Carimentrand, 2010).

Finally, it is important to note that major divisions exist even among Fair Trade certifying bodies. This was highlighted in 2012, when Fair Trade USA (FTUSA) separated itself from other international groups, including Fair Trade International and the WFTO, and drew critical attention from other advocates in the sector. The primary conflict at the center of this move was around plantation and hired labor, particularly in tea and banana production. Recent research indicated that such producers, though officially certified as Fair Trade, often operated with more traditional power dynamics, leading to issues with wage competition, bargaining power and the ability to distribute Fair Trade Premiums with sufficient input from workers. FTUSA positioned itself as the certifying body for plantation-produced goods in the US market, moving forward despite objections from the international FT community, including Network of Asian
Producers (NAP), Latin American and Caribbean Network of Small Fair Trade Producers (CLAC) and Fairtrade Africa (Zinn, 2012). Others argued that a Fair Trade certified plantation was an inherent contradiction, as it did not meet the movement’s goals of working with small scale producers, of environmental responsibility (via, for example, the prevention of monoculture), or of providing a clear alternative pathway to traditional mechanisms of global trade and production (Abufarha, 2013).

Chapter 2: Impact of Fair Trade Certified Agricultural Operations in the South

Given the expanding size and visibility of the movement, it is surprising how little comprehensive research has been conducted on the impact of Fair Trade certified production on workers in the south. The most complete recent resource is “The Impact of Fairtrade: A Review of Research Evidence 2009-2015”, from Emily Darko, Alainna Lynch, and William Smith of the Overseas Development Institute, and commissioned by Fair Trade Labelling Organizations International (FLO). The meta-evaluation of Fair Trade reviews qualitative and quantitative data from 45 individual reports from 2009 to 2015, to answer the research question: “What is the impact of Fairtrade on smallholder producer groups and hired labour in terms of fostering sustainable livelihoods and
empowerment?” (Darko et. al., 2017, p11). The authors further subdivide their evidence into the outcome areas that FLO uses in its theory of change, including: access to markets and prices; farming performance and protection of the environment; investment of the Fairtrade Premium in small producer and worker organizations and communities; producer and worker organizational strength and democracy; decent work conditions; household income, wellbeing and resilience; and gender equity. For each subset, they also look at any distinctions between certified small producer organizations and certified hired labor organizations.

In terms of access to markets, the researchers found some evidence that Fair Trade farmers are better protected from market crisis/fluctuations than traditional farmers, due to the minimum pricing set by international certifying bodies. However, it is very difficult to isolate price increases beyond that minimum – in cases where prices are up for Fair Trade farmers, they are often up for others in the area too, due to other market factors. Overall, the research doesn’t indicate a strong link between prices above the FT minimum and FT involvement, though the researchers do call for more work to understand this area. Further, for some key commodities central to Fair Trade, such as coffee, there is greater demand for FT certified goods than there is supply. In those
cases, competition between certified and uncertified producers may be an unintended outcome (Darko et. al., 2017, p15 - 17).

For farming practices, there was scant evidence that farmers operating under the Fair Trade certification were more likely to incorporate best practices in agriculture, a fact the researchers explained as a result of the standards themselves, which include little focus on such practices. The exception is for farmers who certified both for organic and Fair Trade goods, where organic requirements can be held responsible. In terms of environmental protection, outcomes were similarly unclear due to a frequent on-the-ground conflation of organic and Fair Trade practices. Though there are environmental protection rules in the FT standards, the research that exists has not done enough to separate out those also following organic practices (Darko et. al., 2017, p18 - 22).

The Fairtrade Premium, the money that certified producers are required to set aside for community and/or collective improvement, did seem to yield results in some places. Some examples include access to low interest credit for members, community infrastructure, including roads and health services, and social programs for co-op members. However, as critics have suspected, for plantation operations, these premiums appear to be less well-known to workers;
in some cases, they are not invested as intended, and are instead used for other purposes (such as getting working visas for migrant laborers). Sometimes workers in Fair Trade certified operations, particularly hired laborers, show either low awareness of the Fair Trade premium and its intended results, or are aware of it, but feel that they are not benefitting or that it is being mismanaged. Additionally, there are cases where the premium can create conflict between certified and uncertified producers – for example, when premium-funded projects are designed only to benefit members, this can create community-wide resentment (Darko et. al., 2017, p23 - 26).

Producer outcomes in terms of organizational strength, democracy and working conditions are also mixed. There is evidence that FT certification could lead to improved management of co-ops and other producer groups, shown via increased member satisfaction and identification with the organization. However, some of the data suggest that increased trust and social capital could not be empirically linked to certification (Darko et. al., 2017, p27-29). FT regulations make the possibility of unionization mandatory; they also require that producers facilitate regular workers’ committee meetings (within a democratic process). However, the ways in which this is received and implemented vary by location - in areas that are already unfriendly to
unionization or related activities, there is evidence of greater worker
empowerment and control within FT enterprises, but these principles have failed
to spread beyond the FT orgs. In general, there is little evidence that FT does
much to spread unionization or related ideas (Darko et. al., 2012, p28).

Evidence on “decent working conditions” in FT certified operations
focused especially at standards for hired labor. This is important in part because
there has been a schism between major certifying bodies over the issue of
plantation labor - a major reason that FTUSA split from other international
groups was due to controversy over whether Fair Trade should include hired
labor situations of this type (Zinn, 2012). Hired workers are also a point of
controversy because when they are not officially recognized by the FT system,
there is the risk of invisibility for them, which many fear will lead to decreased
quality of wages and working conditions. The report finds evidence that hired
laborers do benefit from working in FT operations in terms of working
conditions, but ultimately the authors call for more research in this area given
the lack of transparency around hired labor. Some data that the researchers
reviewed suggest that the extent of the problems for hired labor may not have
been fully discovered to date.

In looking at the outcome area of “household income, wellbeing and
resilience,” the authors did find evidence linking FT farmers to increased income, particularly when the FT minimum price for a given commodity is higher than the market rate. However, this only applies when the market price is low; when it is high, the minimum FT pricing is not necessarily of benefit to producers. Further, FT farmers and other producers may not see much increase in income when FT represent only a small percentage of their production. Because of these factors, there are a number of studies of individual producers in a region that find no significant differences between FT and non-FT farmers in terms of household income. A concern across a number of research studies is whether FT tends to benefit most those farmers who are already in the best positions, i.e., those who have access to land, skills in agriculture, and social capital. Sometimes the structure of FT operations enforces this, as when minimum criteria for membership in organizations excludes non-landowners. A related concern is that by mostly benefiting members of a community who are already better off, FT could contribute to existing power dynamics and increase the problems of marginalized groups. In other cases, marginalized groups are not permitted to enter FT operations, as occurs in some places with migrant laborers and women. In looking at other metrics of well-being, the authors found that some studies have linked FT affiliated farmers with higher rates of school
attendance for their children, especially for households that have been affiliated with FT for longer periods of time. Less promisingly, there is evidence that Nicaraguan FT coffee farmers suffered from food scarcity at similar rates to their nonFT counterparts (Darko et. al., 2012, pp 34-36).

Finally, the authors looked for evidence of impact towards greater gender equity from FT certified operations. They note that FT standards do make some reference to gender equity; however, there are limited rules in place that specifically look at power, and those standards that do explicitly mention gender tend to focus only on representation. So while evidence does exist that FT certified producers offer more voice to women, it is much less clear that women are able to employ that voice effectively, and without repercussions embedded in existing power relationships. The researchers concluded that FT and gender equity tend to only be linked in as far as the local environment allows (Darko et. al., 2012, pp 38 - 39).

Summary: The State of Certification in Fair Trade Agriculture

There is no doubt that certification and labeling have played an important role in the evolution of Fair Trade agriculture. By implementing a visible, recognizable symbol, the movement has been able to assure northern
consumers that the commodities and products they purchase meet a minimum set of standards in terms of ethics (no forced or child labor) and reimbursement (set minimum pricing for producers). Consumers are also encouraged to read social benefits as implicit in the label, including reasonable environmental protection for local producer communities, and reinvestment of capital for collective benefit (via the Fair Trade premium). However, as we have seen in the previous section, evidence of the impact and reality of these assumptions is quite mixed. Mainstream Fair Trade, as it stands now, does indeed promise protection from price-based exploitation – at least for those producers operating within the system, and at least to a minimum level (though not one necessarily tied to a living wage in a particular place, or of benefit in a stronger market). And there is evidence for greater worker voice and decision-making, and for projects of community benefit, in at least some settings. But considering all of the rhetoric and growth in the sector, it is essential to note that many of the claims about a true trade alternative for social good have not been demonstrated.

Undeniably, Fair Trade certification in the agricultural sector has grown the reach and sales of key commodities that carry the label. At the same time, certification has entrenched what many conceived as an “alternative” trade
model well within current systems. For many, the expansion of such certifications has led to a fear of “Fair Trade lite”, where the only guarantee behind a Fair Trade labelled good is reasonable wages, rather than the array of benefits intended by many advocates (Littrell and Dickenson, 2010, p14). As critics point out, this can be seen in how many large corporations have become involved in the space, in the increasing psychological and political distance between consumer and producer, and in the movement’s increasing de-emphasis of political and regulatory solutions to trade and equity issues.

Chapter 3: Translating the Lessons of Agriculture to Fair Trade Craft

*Fair Trade and the Artisan Sector to Date*

UNESCO defines artisan work as “produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product” (UNESCO/ITS, 1997). The artisan sector, then, involves the work of these artisans, along with supporting roles for distributors, retailers and others that facilitate the flow of such goods.

In the last several years, some activists and practitioners in the Fair Trade sector have been calling for a complementary labeling system for handcrafted,
artisan goods, and there has been movement in that direction - most notably, via a WFTO pilot of 60 craft-focused producers, announced at that organization’s 2011 Mombasa Conference (Hall, Accessed 25 December 2017). The case is a compelling one – craft is a large sector in the global south, by some estimates the second largest after agriculture (“Fact Sheet” Accessed 2 January 2018). Craft tends to harness traditional skills already in place in many communities, suggesting easier and less disruptive implementation. Women are often especially drawn to artisan work – it can often be done from home, which makes it compatible with child- and elder-care and other female-coded work – so it appeals in turn to development actors with a focus on economic empowerment for women. Handcrafted goods, for some, represent an important aspect of opposition to industrialized trade, and especially so with the increase of socially and environmentally disastrous trends like Fast Fashion (See, for example, Ross, 2006 and Cline, 2013).

It is important to clarify that many artisan-focused ATOs already do operate in northern markets and work with southern producer groups under the auspices of the Fair Trade movement. The difference between their operations and those of the certified commodities producers in agriculture is in the type of label, and the type of guarantee it is meant to offer. Right now, independent
Fair Trade certification labels (including widely recognized ones such as those backed by Fairtrade America, FTUSA, or FLOcert) cannot be affixed to craft goods, because such labels identify products for which the certifying body is guaranteeing individual ingredients and modes of manufacture that exclude the craft sector. For instance, Fairtrade America certifies only commodities, including coffee, chocolate and gold, and a small number of finished food products, such as wine ("Fairtrade Products, Accessed 2 January 2018).

Artisan-focused ATOs, instead, may operate as official members and partners of international Fair Trade Associations, but conduct their own oversight for individual products. The certifying bodies do not guarantee the supply chain of every individual item as they might do with coffee or chocolate (Marstan, 2013, p164). Craft-focused ATOs, then, operate under a different and less clearly defined set of rules than do agricultural ones. For example, Serrv, one of the largest and oldest craft-focused ATOs in the United States, describes its relationship to the Fair Trade movement in terms of its commitment to core WFTO principles (of whom SERRV is a founding member), without explicitly mentioning any guarantee or certification system (How SERRV Practices Fair Trade, Accessed 2 January 2018).
For individual craft producers and co-operatives in the south, there currently are some avenues for certification, though they remain limited. The WFTO is the only large body that evaluates and certifies individual artisan groups as “primary producers,” with the subsequent right to display the WFTO Fair Trade label on any of their products; their process requires that such organizations demonstrate commitment to WFTO’s core principles and values (Marston, 2013, p.165). This option for producers is relatively new, begun largely in the 2011 pilot project, and while the certification it provides fills a gap, it is still not considered comparable to certification conducted by third-party industry-standard groups like FLOcert (Hall, Accessed 25 December 2017).

If third-party, transparent and rigorous certification is to be the way forward for Fair Trade craft – though that remains far from certain and highly debated, as we will see – then the artisan branch of the movement can benefit from the lessons that the agricultural sector has been learning, as well as from its critics. But a translation between agriculture and craft is more complex than it may initially appear.
**Challenges in the Artisan Sector**

Many consider the artisan market underdeveloped: despite the sector’s status as a major livelihood strategy in the global south, the northern market has not grown along with globalized food production. While handcrafts are assuredly available in northern markets, and sometimes come from Fair Trade affiliated groups, the perception remains that the appetite for craft goods is not especially strong. For instance, the director of Trade Not Aid, an ATO that shifted its focus at least partially to commodities, describes the biggest barriers to growth in the craft sector, at least for his organization, as low profit margins and an anemic market. Crafts are seen as niche products, purchased at specialty retailers like Fair Trade shops. It is difficult to survive as a northern ATO on the profits available in the artisan sector (White, 2015).

Compounding these challenges, for ATOs and producers, is the state of competition. The rise of Fast Fashion, quickly and cheaply produced apparel sold at a huge scale and at low prices, makes the consumer-facing comparison between handcrafted clothing and accessories and those produced in less protected work environments all the more stark. This is true in ways that are flattering to an ethical apparel alternative – such producers can typically guarantee major differences in the safety of working conditions, wages, impact
on the community, and quality and originality of the finished products. But for many consumers, Fast Fashion garments win dramatically in terms of cost and accessibility (Minney, 2016).

Perhaps this is why the few officially Fair Trade certified apparel items on the market today have resulted not from artisan production, but from large-scale manufacturing. As with larger-scale commodity production in agriculture, factory produced clothing offers the appeal of scale and reach. In 2014, FTUSA entered a partnership with the outdoor clothing manufacturer and retailer Patagonia, initially to create a line of Fair Trade certified yoga clothes. By 2016, Patagonia had launched nearly 200 products under the FT agreement, and other major brands including the Gap and REI had released similar lines (Marconia, 2016). FTUSA also eventually released its own “Factory Standard for Apparel & Home Goods” assessment criteria to manage such relationships.

Patagonia’s partnership with FTUSA received strong criticism from advocates in FT, however, as has previous corporate relationships FTUSA has cultivated. One critic, writing anonymously in the For a Fair World publication of the Fair World Project, raised concerns about the Patagonia line’s lack of commitment to worker organization and freedom of assembly, the use of non-FT certified cotton in the clothing, and a Fair Trade premium that only added
about $35 USD per year to workers’ salaries. Perhaps most importantly, the author raised concern about the precedent of FTUSA “certifying” apparel factories as fair and ethical with only limited oversight and understanding of the complexity of clothing manufacture:

“There is a very real risk that the label will mislead consumers into believing that they are making an ethical purchase that supports producers, even when most of the people involved in the production remain impoverished, un-empowered and outside of the Fair Trade system. Once a company gains the Fair Trade label, they then have little incentive to improve conditions across the rest of their supply chain.” (“Fair Trade USA’s Apparel Program Shorts Fairness in the Supply Chain,” 2014).

As we have seen, the artisan Fair Trade sector is heterogeneous, and faces challenges related to that complexity. In the following section, we will look the related debate around whether or not standardized certification should be formally introduced to Fair Trade crafts. Within the arguments in favor and opposed to such standards, there is a deeper discussion about the costs and benefits of rigidity, transparency and accountability on the other.

**The Certification Debate in the Artisan Sector**

Artisan organizations and individuals calling for certification are mostly affiliated with existing Fair Trade bodies. For some southern artisan groups,
certification seems like a new way into markets that have not been open to them
in the past, as has happened for agricultural producers, especially those who
have achieved certified organic and Fair Trade status (Geffner, Accessed 28 Dec.
2017).

In northern ATOs, many of whom have been working with artisan groups
since the beginning of the Fair Trade movement, many producers, advocates
and distributors have felt left behind by the simultaneous shifts to focus on
agriculture and certification. They see that Fair Trade agriculture has gained
market share, and hope for similar benefits in handcrafted products, should they
get certified as well. In some cases they are responding to pressure from the
southern producer groups; in others, consumer and retailer interest drives the
desire for certification. Bob Chase, CEO of SERRV, is on record calling for craft
certification as a response to what he characterizes as the reasonable consumer
demand that a third party organization investigate the legitimacy of craft
producers’ claims to Fair Trade status (Geffner, Accessed 28 Dec. 2017). In this
way, the guarantee that many consumers and retailers see as associated with
Fair Trade product label has become a burden for the craft sector, since they are
not able to apply it to their products. For instance, Megy Karydes, owner of
World Shoppe, a WFTO member Fair Trade wholesaler, describes her desire for
the clarity and visibility a craft certification might offer:
“When we began wholesaling our jewelry from South Africa and Kenya, well-meaning retailers asked us if we were certified, incorrectly assuming that all Fair Trade products could be certified. I would explain, best as I could, that while we are an active member of the Fair Trade Federation, we were not ‘certified’ as such because we are not a commodity-based business. One retailer showed me TransFair’s [now FTUSA’s] logo on a bar of soap. Try having that conversation with a retailer who isn’t involved in Fair Trade daily, how that’s not the same thing. She doesn’t care. She wants to see that logo so she can show her customers.” (Quoted in Geffner, Accessed 28 Dec. 2017)

As opposed to supporters of certification looking for practical strategies for expanded branding, consumer interest and market access, many of those wary of certification elaborate a broader view. They often cite the critiques of agricultural certification – corporatization and the dilution of the movement’s core messages and goals, the limitations of a market-driven strategy in making larger social and political change, and limited evidence of impact for southern producers. At best, these critics hold, certification could be a tool to help disrupt the state of the global market by increasing awareness and improving conditions for some actors within it. At worst, it is a costly distraction with many negative impacts (Marston, 2014, p164).

*Barriers to Translation: Key Differences between Agriculture and Craft*

Both supporters and opponents of craft certification standards cite challenges in making the translation between the artisan and agricultural
sectors. In discussing barriers to craft certification, the most frequently cited difference between craft and agriculture is the relative complexity of craft products and their manufacture. While agricultural commodities like coffee, cotton and bananas are all produced under similar conditions to create similar consumer-facing products, the goods that might be produced under a craft certification system are essentially unlimited. Within simple sounding categories like apparel or home goods are many different products, means of manufacture and material inputs. This is especially true in cottage industry artisan work, where individuals complete many tasks on their own, at home. A single handspun and handknit hat, for example, may involve raising and shearing sheep or other fiber-producing animals, cleaning, carding and dyeing wool, spinning that wool into yarn, knitting the garment, and finishing, labeling and distributing it. Even if a single individual or household completes each step of that process, there are still numerous elements that must be monitored for safety and environmental impact. And if a community or collective engages in the process, each member may have different approaches to each step. What if they purchase pre-made yarn from a third party supplier? Is it then necessary to buy only Fair Trade certified yarn, or to otherwise make sure that the “ingredients” are ethically manufactured, by certification standards? What about
mechanization? If one person uses a spinning wheel and another a drop spindle, does the former fit the qualification of “hand-crafted” in the same way as the latter, and how are her likely-reduced labor hours accounted for in pricing?

If the Fair Trade craft sector intends to exchange the internal due diligence model currently employed by the ATOs for a more transparent and rigorous system of third-party standards, the complexity of the sector will need to be addressed. Fortunately, the existing models do provide a viable starting point.

**Fair Trade Trade-Offs: A Framework for Understanding Actors’ Decision-Making**

In the following section, three examples provide real-world context to illustrate the challenges of implementing the Fair Trade model in an artisan context. These case studies are each focused on different organizations with different roles in the sector and the partnerships and hierarchies among them. They illustrate not only the complexities of these relationships, but the trade-offs inherent in operationalizing Fair Trade principles in a variety of contexts. Producers, ATOs, NGOs, retailers and other actors in this space must, individually and collectively, align themselves at different points along a set of continuums. Each of these represent, at either extreme, a decision point – but
actors rarely make a binary choice. Rather, they continually navigate their position between each extreme, often changing that position over time, or in different situations. Sometimes they make these choices with full consciousness and careful consideration. At other times, their position on a given continuum instead is the result of unexamined assumptions and strategic frameworks. Other times, decisions represent a complex mix of examined and unexamined ideas.

Figure 1, on the following page, illustrates a number of these trade-off continuums. The extremes at either of end of each are based on the challenges common to the artisan Fair Trade sector. They are informed by the debates described in previous sections of this report, such as the benefits and costs of standardized certification systems, the role of corporate and other for-profit actors, and the sometimes conflicting desires for broad visibility and market access on the one hand, and for fidelity to Fair Trade’s mission on the other. They are also informed by the case studies in the following section, which illustrate the complex ways in which people and organizations, northern and southern, for- and not-for profit, struggle to position themselves. This framework is presented here not as a definitive set of such ideas, but as a starting point for examining how sector actors make strategic decisions.
Privileging Particular Kinds of Knowledge

Emphasizing southern producers’ decision-making about the best ways to manufacture, manage operations and run an organization, even if these conflict with standard northern understandings

Deciding or assuming that “best practices” for running a business come from the northern-oriented, capitalist model, and encouraging southern partners to learn about and fall in line with those standards.

Narratives about Poverty and Inequality

Explicitly describing the ways in which global inequality for communities and individuals is constructed and maintained by unequal political and economic structures

Presenting an entirely apolitical narrative about individual poor choices or luck leading to personal poverty

Presenting Cultural Significance of Work

Exclusively centering the “truth” of the object(s) as southern producers understand it

Exclusively centering the narratives that (actors believe) northern consumers most want to hear

Certification and Standardization

Creating and enforcing strict standards for every product produced and sold under the Fair Trade Label (which excludes products for which such processes have not been created)

Creating very flexible and adaptable models whereby international organizations’ products can be screened on an individual basis

Emphasizing Revenue or Mission

Proceeding as if social good is the primary goal, so any other goals must contribute to it in order to be considered valuable

Proceeding as if economic growth/profit is the primary goal, so any other goals must contribute to it in order to be valuable

Sharing Narratives about Individual Artisans or Artisan Groups

Sharing stories that reflect the producers’ full understanding of themselves, which may include their poverty and other challenges, but also entrepreneurship, artistry and agency

Sharing stories that will (actors assume) will most appeal to northern consumers, emphasizing the importance of that consumer in “saving” poverty-stricken southern producers

Valuing Reach/Market Access

Maximizing the role of small producer groups and other actors with less access to voice and power (acknowledging that these stakeholders also have fewer avenues to reach large consumer bases in the north

Maximizing the role of corporate actors and others with market access to ensure Fair Trade products are available to northern consumers (acknowledging corporations may make different choices than would other sector actors)
Chapter 4: Operationalizing the Fair Trade Concept in the Artisan Sector

Introduction

Each of the three cases below presents an opportunity to explore trade-off continuums for the artisan Fair Trade sector, as described in previous sections of this report. They also illustrate how different actors conceptualize these trade-offs, interpret their decisions and attendant decision-making power, and are or are not willing to make changes when presented with realities that challenge their pre-existing assumptions.

The first case study explores how Serrv, a well-established crafts focused ATO, navigates its position as a northern based gatekeeper institution. Some of the trade-offs explored here deal with that gatekeeping power: how does SERRV interpret the responsibility of facilitating market access and creating appealing narratives for northern consumers and volunteers, while attempting to maintain fidelity to the realities and preferences of southern producer groups? How does SERRV verify “Fair Trade” for craft products and producer groups, and how do they consider the needs, interests and challenges of producer groups in relation to their own needs as an ATO?

The second case study looks at the complexities of a partnership between a Nicaraguan sewing cooperative, a northern NGO, and a northern retailer and
designer. The trade-off framework here helps us examine interacting spheres of power and control. How does each group perceive its role, and those of its partners? When economic, social and other conflicts arise, whose perspectives are privileged? How do the power dynamics inherent in each groups’ economic, racial and geographic positionality show up in the partnership, and how are they managed? How does Fair Trade’s tradition of endorsing worker ownership, decision-making and empowerment play out in the real world, and what is gained and sacrificed in terms worker empowerment?

Finally, the third case examines the perspective a Peruvian knitting cooperative and the Peruvian NGO that supports them. What challenges do southern producers face in navigating, interpreting, and gaining meaningful access to the international Fair Trade system? What are the benefits and challenges of employing a Fair Trade label for such groups, and how do they work within them? How do they challenge them? How do supporting organizations make their own cost/benefit calculations? In the following sections, a range of organizations face an array of decisions and challenges. By understanding their choices and strategies as existing along a spectrum, we are able to better understand the complexity of the Fair Trade artisan sector, and the push and pull experienced by those who operate within it.
SERRV (originally the Sales Exchange for Refugee Rehabilitation and Vocation) is a founding WFTO member Fair Trade organization and nonprofit that has been operating continuously since 1949. They describe their organizational mission as: "to eradicate poverty wherever it resides by providing opportunity and support to artisans and farmers worldwide” (“Serrv, a Nonprofit Fair Trade Retailer Since 1949,” Accessed 7 January 2018). Their published materials also highlight a core set of organizational values to which their work is intended to contribute, including: improved quality of life for southern producers; partnership and collaboration and the building of meaningful long-term relationships with artisans; communication, transparency and trust; sustainable development and environmental stewardship; culture, craft and tradition; quality of products offered to consumers, and of supports to producers; education about “a just global trading system” to build connections between consumers and producers; and volunteerism, as a means of promoting advocacy and justice (Serrv’s Core Organizational Values,” Accessed 07 January 2018). As a WFTO member, they are also expected to align their work with that organization’s Ten Principles of Fair Trade, which include opportunities for disadvantaged producers; transparency and accountability; Fair Trade practices,
fair payment; no child or forced labor, no discrimination, gender equity and freedom of association; good working conditions, capacity building; promotion of Fair Trade; and respect for the environment (WFTO, 2013).

SERRV’s organizational understanding of Fair Trade, then, is a multi-faceted one, encompassing specific goals for southern producers as the intended beneficiaries (safety, equity, payment, capacity building) as well as goals that are meant to feed into the larger movement (education and advocacy, promotion of Fair Trade as an idea in both the north and south). As an ATO, SERRV functions in many ways as a gatekeeper and middleman – buying goods from southern producer organizations (which they select and vouch for) and distributing these through their own channels, often via catalogues and events with nonprofit groups and religious organizations. Because SERRV has been in operation so long, and has prided itself on the creation and maintenance of relationships with southern artisan groups, it offers a helpful case study of how northern ATOs choose and work with partners in the south. How does SERRV identify producers that it considers to be Fair Trade, given that they have a lot of leeway in this decision? What are the considerations and tradeoffs that the ATO is required to make to ensure its economic success and its alignment with mission?
Mary Littrell and Marsha Dickson’s 1999 book “Social Responsibility in the Global Market: Fair Trade of Cultural Products” offers a helpful glimpse inside these processes for SERRV. Littrell and Dickson, both researchers on the Fair Trade artisan sector, conducted a series of in-depth interviews with SERRV staff and leadership. At the time, SERRV was undergoing significant change: in 1999, SERRV officially became a nonprofit organization independent from the Church of the Brethren, with whom it had been closely linked since its founding. As a result, the organization needed to carefully assess everything from individual staff roles and responsibilities, to product design and distribution, to broader questions of mission (Littrell and Dickson, 1999, p94). Bob Chase, CEO of SERRV both then and today, recognized at the time that an evolution was underway: “…for a while, we kidded ourselves that we could operate an alternative economic system within a larger economic system – sort of a socialist system within a capitalist system” (quoted in Littrell and Dickson, 1999, p90). Due to recent slumps in revenue through sales, Chase was coming to believe that SERRV’s version of Fair Trade was not viable when purely market-driven. Given the choice between lowering prices to a point detrimental to the producers and seeking ways to subsidize the work, SERRV chose the latter. This meant that SERRV expanded its northern volunteer networks, but also that it eliminated
paid northern staff positions in order to cut institutional costs (Littrell and Dickson, 1999, p97 and 105).

As we have seen, in the late 1990s SERRV underwent a shift to more mission-driven than market-driven strategy and rhetoric. If conventional sales tactics were insufficient to drive the organization’s growth, then both consumers and volunteers in the north must be convinced of the importance of the mission in order to support SERRV’s work, either via capacity building, distribution, or by making individual purchases. A quote from Beth Lipinski, of Memorial Presbyterian Church in Appleton, WI, highlights how this point of view from a volunteer and consumer perspective:

“The SERRV sale is one piece of the whole puzzle for how our members can become involved in the church’s mission commitment. Some contribute canned goods for local distribution. Others volunteer at the Salvation Army. Many members, young and old, buy crafts at the annual SERRV sale” (Quoted in Littrell and Dickson, 1999, p89).

SERRV’s positionality and mission, then, raises two key questions of interest to the Fair Trade artisan sector: How do groups convince northern stakeholders (consumers and volunteers) of the importance and social good of the Fair Trade vision? And what standards do ATOs use to evaluate southern producers/partners for alignment with that vision? To answer the first question, looking at SERRV’s marketing and volunteer recruitment materials is
enlightening. For groups considering hosting a sale at a church or other community organization, SERRV offers an array of brochures, table signs and catalogs. These highlight a sense of understanding and connection, encouraging potential northern purchasers to see the humanity in the southern artisans that created the products on offer. Many feature images of craftspeople smiling while holding completed or in-progress work, along with text that paints a broader picture; for example, one large poster includes three such images, with text that includes references to “breaking the cycle of poverty,” and creating “healthier and more sustainable communities worldwide” (SERRV Artisan Poster, Accessed 7 January 2017). As one might expect, these materials also tend to emphasize the importance of a potential purchase, assuring consumers that their choice to buy these products can “change lives” and lead to “direct impact” (SERRV Sale Poster, Accessed 7 January 2017). In this way, SERRV’s marketing strategies tie in with one of Fair Trade’s original and ongoing strategies: to educate the northern consumer of the importance of Fair Trade.

It is important to note, however, that these kinds of promotional strategies are also a point of contention. Some writers support the use of “artist profiles” in Fair Trade marketing, as they shorten the emotional distance between the makers of products in the south and the consumers in the north –
both a persuasive sales technique and a way of centering artisans’ stories and experiences (Biggs and Lewis, 2009). Highlighting the consumer impact on producers is seen as an effective way to build northern buy-in. However, some critics raise concerns about the other impacts such narratives may have. Daya call attention to the frequent disconnect that occurs between consumer-facing narratives and the full stories of artisans. Using the example of beadworkers in Capetown, South Africa, Daya explains how their full story is more complex than is shown in northern-focused narratives, which only tend to emphasize economics and tradition. Beadworkers understand their craft in the context of their lives and social relations; since most are migrants from other African countries, beadwork is a means of creating connections socially and economically, a way of structuring in and out groupings, and a means of maintaining connection to heritage and family back home (Daya, 2014).

Hasenöhrl problematizes language that places strong emphasis on northern consumers as presenting a savior narrative as disempowering to southern producers, in that it often downplays their key roles in the administration, development and direction of projects, and may serve to further “other” the global south for consumers in the United States (Hasenöhrl, 2016, p15.12).

SERRV’s materials also exclude any explicitly political language, for example by
calling for state or transnational regulation (presumably for fear of alienating more conservative consumers). Critics such as Newhouse have pointed this out as a related issue of narrative. When marketing crafts, ATOs often call attention to the reality of southern poverty without sharing with northern consumers the reasons for that poverty, which may include such unpleasant truths as the impact of imperialism, globalization and neoliberalism that may implicate the consumers themselves in the problem (Newhouse, 2011, p84). However successful it has been for SERRV’s brand identity, sales and northern buy-in, centering the northern consumer and advocate in its strategy has put the organization in a position that is vulnerable to these kinds of critiques.

To understand how SERRV facilitates southern producers’ access to international markets, and provides them the ability to be considered “Fair Trade”, it is useful to look at the organization’s FAQ for potential producer groups. In it, SERRV outlines a selective and in some ways mercurial process – they receive more than 250 contacts about potential producers each year, but typically only take on one or two new partners during that time (“Sell Your Products to Serrv.” Accessed 07 Jan. 2018). Reasons a group may not be selected include not being sufficiently established in terms of structure or sales, not offering products with sufficient consistency for SERRV’s export standards
and not offering products that SERRV believes will sell in its markets. Organizations need not be part of an established Fair Trade network to be eligible, but they do need follow the WFTO core principles to which SERRV is held accountable. One way they are expected to demonstrate this is by “do[ing] more than selling products (like working on health or community projects, training artisans, etc.).” The process for application includes an initial questionnaire, followed by an onsite visit from SERRV staff (“Sell Your Products to Serrv,” Accessed 07 Jan. 2018). Perhaps the most noteworthy aspect of this page is that the ways in which SERRV decides how well producers align themselves with Fair Trade principles is not clearly laid out online. We are reminded, then, of the importance of ATOs in the north in making decisions about what is and is not Fair Trade – and of the subjectivity and lack of transparency currently embedded in that process.

SERRV’s selection process raises another point of contention in the literature: understandings of authenticity and the locus of control of product design in artisan Fair Trade. It is understandable that even a subsidized, mission-driven organization still needs to make sales in its primary northern markets, and complex choices about consumer interest are inherent in this process. And given the overabundance of applicants, selecting artisan groups, for SERRV, is as much
about choosing products to promote as it is about choosing partners. As with
the previous set of decisions around marketing, there is an embedded need to
center the preferences of the consumer. What products those consumers like to,
or might be convinced to, buy - in terms of utility, appearance, cost, quality - is
hugely influential in southern producers’ success in Fair Trade. This means that
ATOs and other intermediary groups spend a lot of time and effort ensuring
that products are in line with northern consumer preferences. Littrell and
Dickson caught SERRV engaging with some of these issues in the late 1990s.
Consumers, they observed, were becoming more selective of the products they
were willing to purchase. And so product design became a more central role for
the organization; they hired a new designer to work with producers in order to
meet northern demands and preferences (Littrell and Dickson, 1999, p102). But
they recognized the tradeoffs this strategy might require. Brian Backe, then
SERRV’s marketing director, told researchers: “Philosophically, one of the
challenges with product development is that it’s a very difficult line where
you’ve come in and imposed a design that has no reflection on that culture…”
He claimed that this was less of a concern for producers, who were
predominantly interested in sales, but that nonetheless he was concerned “…if
we get too much product development going and we’re too successful, we
could take away what is unique about our products” (quoted in Littrell and Dickson, 1999, p98).

Examples of similar questions around marketing and cultural tradition abound in the literature on the Fair Trade artisan sector. One particularly striking example looks at the NGO Aid to Artisans’ work with a group of woodcarvers in Foase, an Asante village in Ghana. Due to tradition and an entrepreneurial local, the village had become known for woodcarving; the carvers’ primary product for export were akua ma, or fertility dolls. In the late 1990s, the carving community received training in marketing and product development from Aid to Artisans Ghana (ATAG, the local branch of the US-based organization) (Wolff, 2004, p127). ATAG took the lead in creating a producer association from independent shops, in quality control and selection of goods for wholesale, and in directing important elements of design by, for example, encouraging uniformity of style among the dolls produced or creating new products featuring the carvings, like lamps and napkin holders (Wolff, 2004, p128). A consultant brought in by ATAG, Holland Millas, recommended a change to the finish of the carvings – one which gave the finished pieces an antiqued look, in keeping with U.S. market interest in “traditional” appearing work (Wolff, 2004, p135). This example highlights the debates that may be necessary to engage in Fair Trade of culturally significant
handcrafts. When they appear to be in conflict, do ATOs and other organizations privilege tradition or sales? When products must be redesigned for a northern market, does it simply make sense to bring in an outside, northern-based designer to make changes? In both the SERRV and Foase examples, southern producers seemed to value sales over tradition, but what happens when that is not the case? Which other stakeholders should be consulted? Whose decisions are these to make, and what might be the longer-term consequences for cultural traditions and how they are understood and commodified around the world?

*The Nicaraguan “Fair Trade Zone”: Partnerships between Southern Co-ops & Northern Businesses*

To further explore the nuances of operationalizing Fair Trade in the artisan sector, it is important to understand how northern and southern stakeholders collaborate and partner. In this discussion, it is helpful to look at a 2013 article by Josh Fisher, which examines the case of a partnership between a U.S.-based Fair Trade designer-retailer, and a Nicaragua-based sewing cooperative and a US-based NGO. This project raises questions about locus of power and control in Fair Trade, the challenges of implementing a Fair Trade
vision, how Fair Trade language may be perceived differently among partners, and about how people manage the often differing perspectives between northern and southern stakeholders in such collaborations.

The partnership in question was between Clean Clothes Organics, a Michigan-based designer and retailer owned by Emily Possiant; the NGO Center for Sustainable Development (CSD); and twelve Nicaraguan women members, or socías, of a sewing co-op in Nueva Vida. The northern aspect of the arrangement began because Poissant was searching for a way to affordably and ethically manufacture cotton clothing at a larger scale, better prices and with better quality control than she could find in the United States, in the wake of free trade policies that made it difficult to compete with southern pricing (Fisher, 2013, p528). The southern side of the story originated in the wake of Hurricane Mitch, which in 1999 uprooted the Nicaraguan women who would become the co-op members, and forced them into untenable economic conditions in a refugee camp. CSD was searching for a project to support this group; Poissant, on meeting a CSD representative at an organic clothing conference, was eager to become involved. Thus, the sewing cooperative idea was launched before the actual members were found. The socías were recruited from among Nueva Vida’s displaced population (Fisher, 2013, p529). The project
also received financial support from USAID and other donor agencies; these
groups then represented another set of interests as stakeholders. The
involvement of donor groups and other stakeholders meant that important
decisions were made about the structure of the cooperative before any
members had the opportunity to weigh in. Most centrally, CSD determined the
style of worker ownership and management the co-op would follow, the ways in
which new members might be considered and evaluated, as well as the intended
“target population” of displaced women. This functioned to limit the real impact
of worker decision-making in the project, and sowed the seeds for later conflict
(Fisher, 2013, p536). At the same time, the rhetoric and marketing of the
arrangement was sold to both northern and southern audiences as “a three-
legged stool,” suggesting equal access to power, and equitable collaboration
(Fisher, 2013, p529).

From the perspective of the socias, the Fair Trade Zone project required
a great deal of personal, economic and social investment and sacrifice. Many
described working long, unpaid hours to build the workshop, managing second
jobs and childcare and other domestic duties at the same time – all often
without the support of their husbands and community members, who did not
believe the project would succeed (Fisher, 2013, p539). Their personal sense of
ownership over the project, based on their own faith, sweat equity and the promise of better pay, working conditions and decision-making power, influenced the way in which they saw their role. So when conflict arose among the socías, Poissant and CSD, the socías had a reasonable expectation that they could address it as equal partners. This, however, is not what occurred.

Conflict in the partnership arose over a few key issues, including the membership structure, different ideas of “professionalism” and profit distribution. From the beginning of full operations in 2001, socías were working at ever-increasing rates to complete more and more complex orders from Clean Clothes. From Poissant’s perspective this was simply how they would scale up operations so that the co-op could be her primary producer and she could continue to grow her company. For the socías, under the structure of the partnership and its membership guidelines, it meant they needed to build in processes to hire temporary, non-member labor to assist in production (Fisher, 2013, p540). This happened early on and continued throughout the partnership’s run. Over time, however, CSD grew frustrated that the socías were not following the guidelines for membership that they had put in place, which required that temporary workers be allowed to buy in for full member status after a review process and provisional period. The socías, as the original members, felt that no
amount of money could equal the work and sacrifice that they themselves had undertaken to build the co-op, and so refused to follow CSD’s mandate. Though the socias did provide the temporary staff of non-members with benefits that they saw as preferable to those available in free trade factories (hourly, rather than piecework payment, health and child care), CSD was frustrated that the organization wasn’t following its charter in terms of bringing these staff on as full members. From the NGO’s perspective, this could lead to unfairness and bad press for the project. For the socias, the structure of the membership process failed to acknowledge the initial sacrifices they had made (Fisher, 2013, 544-546). Because they had not had a say in the structure of their co-op, the socias were in the position of reacting to, and negotiating around, rules that they had not designed.

Conflict also arose between the socias and Poissant’s Clean Clothes Organics, centered on differing perspectives on the meanings and implications of “professionalism” and “partnership.” In 2004, CSD shared with Poissant that the socias were re-using scrap fabric from Clean Clothes’ orders to create handmade hair ties, which they then sold in the local market (Fisher, 2013, p542). This practice was, for the socias, a way to supplement their income by reusing discarded material. For Poissant, the fact that she wasn’t consulted on
the use of “her” scrap fabric was a sign that the socías didn’t understand how business partnerships were meant to work. She met with the co-op members in person a few months later to chastise them, and to explain that she would be deducting the cost of the scraps from the next order. When asked about the incident later, she said:

“Several women pulled me aside and said, ‘oh, we’re poor Nicaraguans and our children need shoes to go to school.’ And I looked them each in the face and said, ‘wait a minute, whose fabric did you use?’ And they got real quiet. I said, "so not only did you do this, but you stole my fabric from me, your business partner…’ I essentially gave them two options. I said [I could] give them all 300 dollars, more or less the money I had lost, and we’d call it a day. I’d go home, and I’d never buy anything from you ever again because I’m done. Is that what you want? Because we could do that, that’s called charity.” (Fisher, 2013, p 542)

In her response, Poissant demonstrated an understanding of her own disproportionate control over the entire operation, rooted in her positionality and her economic resources. By threatening to cancel the orders that sustained the coop, she showed the workers this power over them. Despite the language of equality and fairness used to promote the project, Emily knew – and displayed – that her US-based and capitalist understanding of professional behavior would be privileged. She would wield her power similarly in later confrontations with co-op members, taking CSD’s side on the questions of membership policies and hired labor, and rejecting the socías’ claim that profits
were going disproportionality to Clean Clothes. Following a 2007 meeting of all three organizations, Poissant sent a memo demanding a change to the partnership. Clean Clothes would only continue sending orders on the conditions that the co-op they expand membership and put hired laborers on a clear track to it, and that they allow Clean Clothes to monitor the co-op’s finances. This time, the socías were unwilling to be cowed; they rejected the offer, citing a sense that the project had become too desequilibrado (unbalanced), and the partnership dissolved (Fisher, 2013, p552).

From this example, we see that northern and southern based stakeholders in Fair Trade partnerships struggle around questions of control and power. In its traditional conception, Fair Trade requires specific attention to these issues; this is the basis for inclusion of worker-ownership and governance in the movement’s strategies (WFTO, 2013). However, instances of disagreement and conflict can serve to highlight inequality that Fair Trade rhetoric has not meaningfully addressed. Multiple critics of the Fair Trade sector have raised this point, often citing corporatization as the cause of weakening worker control (Jaffee, 2012; Burke, 2010). Other critics have pointed out that corporate money is not the only lever in these unequal relationships; northern-based privilege also plays an important role. Newhouse, for instance, describes
Fair Trade as coming from a fundamentally “neo-liberal location of power” that cannot help but mischaracterize and diminish the power of the poor (Newhouse, 2011, p84). Fridell, relatedly, questions the potential for disrupting power imbalances caused by capitalist exploitation via capitalist mechanisms, even when they are altered to fit a Fair Trade model (Fridell, 2007). Poissant felt that she could influence the socias not only because she held financial power as their main client, but also because her access and privilege meant she knew things about the global business world that she felt they did not. She could teach the socias how to be professional because she was confident that her understanding of professionalism was the correct one. Though a non-profit entity, CSD operated from a place of similar privilege by designing governance of the co-op without input from any members, and by disregarding their desire to change that design. In order for Fair Trade partnerships to truly disrupt such ingrained and unequal dynamics, all stakeholders (but especially northern ones) will need to be held accountable for these kinds of privilege-based assumptions, and to examine their roots and impacts carefully.
Knitting Co-ops in Peru: Navigating Fair Trade as a Southern Producer Group

Alicia del Carmen Mariñas Tapia’s 2013 research examines the complex experiences of one Peruvian knitting co-op as they attempt to work within the artisan Fair Trade space. This case raises important ideas about what artisan groups value and need, and how those needs are sometimes misunderstood or ignored by international organizations; about how individual artisans weigh costs and benefits in this type of work; and about ways in which the intended impacts of Fair Trade do and do not reach workers.

The WFTO member group Minka oversees multiple artisan collectives; our focus here is on a democratically run peasant collective creating knitwear in the town of Unacolla, which has been working in the Fair Trade sphere since the 1970s. Unacolla consists of around 500 families. They produce handknit winter accessories, primarily from alpaca fiber – a practice long-rooted in the community, where, due to the cold climate, most women learn to knit from a young age (Mariñas Tapia, 2013, p82).

The collective’s association with the Fair Trade movement, via Minka, has led to some notable benefits. According to interviews conducted with workers, Fair Trade means the collective has regular orders from ATOs in the north, usually over a period of two months, and with 50% of the payment provided in
advance (as many Fair Trade policies, including WFTO’s, dictate). They cite benefits to this arrangement – they are better networked among themselves, and among other producers in the area. Prior to their connection to Fair Trade, they had limited access to market information, and mostly worked individually with middlemen who sold their goods in the major cities (sometimes marked as Fair Trade, sometimes not). Now, they have strong connections, which helps to facilitate shared decision-making power. They also have increased market access, especially through ATOs that distribute their products internationally (Mariñas Tapia, 2013, p84-85).

The Unacolla community is an example of how artisan groups can use the Fair Trade framework in order to exercise power and decision making within their own communities. It is important to note that many elements of this democratic collective strategy are local to the community, rather than coming entirely from the WFTO or other outside influences, as is sometimes implied. The community already had a peasant leadership in place prior to its work with Minka, via a series of committees. They expanded these to support the enterprise by, for example, creating a voluntary artisan committee oversee knitting production and the distribution of labor (Mariñas Tapia, 2013, p83). The
leadership structure within Fair Trade, then, has provided Unacolla with
opportunities to expand and deepen its existing methods of self-governance.

According to Mariñas Tapia, worker safety and conditions are another
area where Unacolla is doing well. As with many small-scale producer groups in
the artisan sector, much of the individual production is done at home. In
Unacolla, artisans typically only work in the Fair Trade sector for three months
out in a given year – though during that time, they earn the same in wages as
they might in a year of producing for the traditional, non-Fair Trade market.
Many of the artisans spend the rest of their time in other livelihood activities,
such as agriculture; many women use any extra time for domestic labor.
(Mariñas Tapia, 2013, p85). The researchers found that ILO labor conventions
were followed in Unacolla (Mariñas Tapia, 2013, p88). A more thorough
investigation of the implications of home-work among Unacolla’s textile artisans
might be helpful here, however – it is insufficient to assume that working from
home is always a benefit.

Despite the cited successes, the Unacolla knitters have also faced
significant challenges in operationalizing and embedding Fair Trade practices.
One of these is due to the increasing popularity of the kinds of knitwear they
create. With more visibility for handmade alpaca goods has come increased
competition, inside and outside of the Fair Trade sphere. This has also resulted in pressure for lower prices, limiting benefits to workers. The leader of Minka says that a livable wage for the region would work out to approximately 2.5 USD per hour. They are currently only able to pay .50USD to their artisans. Though this is still a major increase over the .07 USD average paid to knitters in the area, it is discouraging that a living wage is something that Fair Trade has yet to provide workers. The director describes paying that livable wage as a goal, but one that is still “years ahead” (Mariñas Tapia, 2013, p84).

The leader of Minka, formerly an active committee member of WFTO, cites another concern in institutionalizing Fair Trade in the region’s artisan sector. As the rules currently stand, Fair Trade artisan producers like Minka are not required to certify their entire supply chains for a given product. So, WFTO-backed Fair Trade producer groups are not officially required to purchase supplies from other WFTO member producers. This allows space for middlemen to sell supplies and ingredients that claim to be Fair Trade but are not verified as such (either by virtue of certification in the case of commodities, or via membership in WFTO or similar bodies). This, then, increases the problem of competition, as the officially verified Fair Trade products nearly always cost more (Mariñas Tapia, 2013, p80).
Finally, in terms of community benefits to Unacolla, the record appears mixed. They have been able to construct a community center, where they hold meetings and that serves as a hostel for tourists interested in the Fair Trade activities. And, approximately 20% more members of the collective have been able to purchase housing. However, members and leadership also indicate that they have been stalled in improvements by increased crime rates, and that the community still lacks many of the visible changes that they had hoped for; most people who have purchased housing haven’t done so in Unacolla, but rather in the nearest city, since that is where access to schooling is better, particularly for girls (Mariñas Tapia, 2013, p82). Whether these facts represent a reasonable compromise given local challenges or a sign that the project is failing depends on what trade-offs one finds acceptable in this work.

The example of Unacolla demonstrates some of the core on-the-ground benefits of Fair Trade to artisan producers, especially when the project is implemented in a way that facilitates local control, knowledge and leadership. By working within Peru’s Comunidad Campesina structure, Unacolla had already developed democratic local leadership, into which Fair Trade could be well-integrated (Mariñas Tapia, 2013, p88). This leadership, then, was able to make choices about investment that were in line with community needs and desires.
The choice to promote alpaca knitwear is an organic and logical one, drawing from local skills, knowledge and experience. Unacolla’s challenges, too, can seed important conversations in this sector. Perhaps most importantly, there are many remaining questions about how Fair Trade enterprises can successfully compete with actors working outside the Fair Trade framework, in the free market. As researchers have pointed out, if Fair Trade is an alternative to free trade, and not meant to replace it, then the two must still co-exist. And since Fair Trade production remains a small part of the overall economic picture for producers, Fair Trade will remain vulnerable to incursions from less regulated competitors, including other producers, distributors and middlemen (Walton, 2010; Sylla, 2014). In Unacolla’s case, Fair Trade’s higher income per product was enough to offset this risk and make the enterprise worthwhile. But it was not enough to bring workers a living wage. In thinking about producers’ choices about whether Fair Trade is viable and preferable, these issues will continue to be significant.
Conclusion

The artisan Fair Trade sector is, at this moment, engaged in an ongoing process of evolution. We have seen how this encompasses important ideas of trade-offs: between broader market access and fidelity to mission and the interests of small-scale producers; about the ways in which producer and broad political and economic narratives are shared with northern consumers; and between rigorous, standardized and transparent certification standards and the needs of diverse stakeholders, who employ a range of modes of manufacture, distribution and marketing. As the sector continues to assess and debate its options, there are meaningful examples on which it can draw – not visions for what exactly to do or not do, but illustrations of the costs and benefits of different kinds of choices.

The evolution of Fair Trade agricultural commodities provides one such example of where the sector might move, emphasizing certification, corporatization, and visibility and marketing to northern consumers. Yet as critics point out, this model is not without flaws. Mission-drift is an often cited concern, as corporate actors leverage their financial and narrative power to drive the agriculture sector towards their own goals. Certification has provided an apparently useful standard for consumers, but it subsumes much of the complexities of the debate within a simple label.
As the Patagonia example shows, “Fair Trade” apparel and other goods more traditionally within the artisan sector can be also be taken up by this more corporatized, industrialized Fair Trade approach. Similar cited benefits come from supporters – purported better working conditions, appeal to consumers in the north, and improved brand perception for corporate partners. Similar critiques are also present, however – the Patagonia certification means less than it may appear to, and this false sense of “ethical” products risks damaging the work of the entire sector.

Within the artisan Fair Trade sector specifically, existing models driven by ATOs and member-based organizations like the WFTO remain the most practical and likely way forward. These established channels have a long history of relationship-building, advocacy and market-creation. And yet they are at a crossroads, as they consider how to drive their work forward: how can they expand what is often seen as a limited retail market in the north? How will they answer the calls for certification coming from southern producers and some northern retailers and distributors? If they do, how can such a complex and diverse sector define such standards in ways that are meaningful for all stakeholders? And perhaps most importantly, how can the sometimes conflicting needs and
interests of all stakeholders be included in the debate that shapes the sector going into the future?

In presenting an analysis framework of trade-offs, along a continuum between extreme decisions, I hope that I have shared one helpful way for the sector to consider the range of possible responses. It is not possible to eliminate conflict, nor to avoid decisions. Rather, participants in the artisan sector must grapple with each of these to shape the future of their work. In doing so, it will be essential to move beyond unwritten rules, unspoken or unexamined assumptions, and unchallenged demonstrations of power. Partners, northern and southern, producer, NGO, retailer and advocate – all must find ways to have open conversation about whose needs and values are being privileged in each instance, why and to what ends. As most stakeholders acknowledge, Fair Trade is not perfect. It is by definition a way to improve an inherently broken economic and political system. In imagining a better alternative, then, the sector must make conscious and open choices about the precise vision they are implementing, and about the costs and benefits all stakeholders are willing to accept along the way.
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