

Trading Our Way Up: Women Organizing for Fair Trade



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Women in Informal Employment
Globalizing and Organizing

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Back cover: *Ya'Muntsi B'ehna (Women United) Cooperative celebrates 10 year anniversary*

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Acknowledgements

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About WIEGO and its Global Trade Programme

WIEGO (Women in Informal Employment: Globalizing and Organizing) is a global action-research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with and draws its membership from three constituencies: membership-based organizations of informal workers; researchers and statisticians working on the informal economy; and professionals from development agencies interested in the informal economy. WIEGO is registered as a non-profit company in the UK, with a Secretariat based at Harvard University in the USA.

WIEGO has five operational programmes: Organization and Representation, Statistics, Global Trade, Social Protection and Urban Policies. The project “Women Organizing for Fair Trade,” which is the subject of this publication, falls under the Global Trade Programme. The aim of this programme is to investigate and highlight the impacts – both positive and negative – of global trade and investment policies on the livelihoods of the working poor, especially women, in the informal economy; and to help organizations of informal workers, especially those with women members and leaders, seize the opportunities and address the constraints posed by trade liberalization.

For more information visit the Global Trade Programme pages at www.wiego.org.



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Summary

This publication gives an account of an action research project on producer organizations of working poor women and their engagement in Fair Trade markets. It is part of a global project on Women's Economic Empowerment of WIEGO (Women in Informal Employment: Globalizing and Organizing), funded by the Dutch Ministry of Foreign Affairs through its call to action under Millennium Development Goal 3: Promote Gender Equity and Empower Women.

Through in-depth case studies in seven countries (Kenya, Tanzania, Uganda, India, Nepal, Nicaragua and Mexico) we discovered that women producers have experienced significant progress in meeting their practical and strategic needs through participating in collective forms of enterprise and linking to Fair Trade markets. Across all countries, women reported how organizing in groups for production and trade has strengthened their livelihoods and enabled them to contribute to meeting their families' material needs, which in turn has enhanced their status in their households and communities. They have acquired better access to productive resources and markets and have gained valuable skills and knowledge, as well as experience in governing and managing their own organizations. As a result of their achievements, they have greater confidence in their abilities and higher levels of self-esteem, and have developed support networks that they can draw on in times of need. All these are important steps towards women's economic empowerment.

In spite of this progress, many challenges remain. Working poor women producers in all seven countries still face multiple gender-based constraints to their participation in trade, including economic, socio-cultural, political and institutional barriers. Although there has been marked progress in national policy and legislative frameworks with regard to gender equality, working poor women are still limited in their ability to access resources, due to low levels of awareness and socio-cultural constraints on making claims. Many enterprises face challenges in becoming commercially sustainable, particularly those which are dependent on a few Fair Trade buyers for access to markets which can leave them vulnerable to changes in consumer demand, as evidenced during the recent economic downturn. Internal group dynamics such as strong leadership and professional management, democratic governance with good communication and transparency, and a commitment to gender equity all appear to be important to outcomes.

It is also evident that the *functions* of marketing, product-related services, input supply, financial services, organizational development and non-commercial activities are all necessary to the achievement of both commercial and social goals. External actors, including Fair Trade organizations and networks, governments and aid agencies, play a critical role in supporting producer groups and/or support organizations to undertake or access these functions, but this support is not always readily available. It is, therefore, important to recognize that the process of empowerment is not a linear one where forming collective enterprises and selling to Fair Trade markets will necessarily lead to a change in women's status – it is the *combination* of context, the specifics of organizational dynamics and functional effectiveness, strength of market linkages and degree of support from external actors which may converge to produce positive results.

As part of the action research methodology, the project allowed the Fair Trade organizations and networks in each country to undertake two important activities: firstly, to reflect on their achievements in supporting women producers and to hear directly from them about their needs and priorities; and secondly, to analyze the broader contextual factors which affect women's ability to engage in trade, including global macro-economic policies, national legislation, and the (gendered) institutional environment. The project gave all partners the opportunity to review and re-articulate their policy "asks" and to jointly develop an "agenda for change" that can be pursued through the advocacy work of the Fair Trade networks at the country and regional level.

This publication is intended to be useful to a number of key audiences: for policymakers and development practitioners, it can inform their understanding and design of effective pro-poor, gender-sensitive, market-based, trade and enterprise programmes; for the Boards and staff of Fair Trade organizations – both North and South – it can help inform their advocacy policies and programmes; and for Fair Trade activists and consumers, it can build greater understanding of the difference that Fair Trade can make to the lives of women producers. Last, but not least, it is a testimony to the women who participated in the research project and a vehicle for their voices to be heard across the globe through their stories, photographs, films and songs.



Chapter 1: Introduction

Women Producers and the Benefits of Trade

For working poor women in the global South, engaging in production and trade can offer vital opportunities to secure a better future for themselves and their families. Whether as artisans producing handicrafts or textiles, or as farmers growing crops or raising livestock, selling to local, regional or international markets can provide women and their households with a valuable source of income. This engagement with markets can also strengthen women's position in society, giving them the resources, skills and confidence to challenge discriminatory practices and take on new roles in their households and communities. At a national level, this "economic empowerment" has been identified as key to growth and development (World Bank 2011); more importantly, it is essential if gender equity and social justice are to be achieved.

Unfortunately, many women are not able to access these opportunities because a combination of poverty and gender inequality means they have no money to invest in raw materials, they lack essential assets such as land or equipment, and/or they have no connection to buyers. Localized gender-based norms, attitudes and practices may limit women's freedom of movement outside the home, both in terms of their burden of domestic work and their presence

in mixed-sex spaces; they also influence women's involvement in different types of economic activities – these can all be major obstacles to women's participation in trade (Moser 1989; Elson 1999). For others trade is a disempowering experience, as women, particularly those who operate in the informal economy, are vulnerable to exploitative trading practices and their bargaining position with buyers is typically weak. Furthermore, women are often located in less profitable sectors of the economy and in the least profitable nodes of value chains. As such, their hard work may be rewarded with minimal economic return (Carr and Chen 2001). Male dominance of households can also see women's income seized by husbands or male relatives. In situations such as these, trade offers little potential for bringing significant improvements in women's lives.

Women Producers, the Informal Economy and the Mixed Effects of Trade Liberalization

Almost by definition, the vast majority of poor women producers operate within the informal economy. According to the International Labour Office (ILO), the informal economy includes all economic units that are not regulated by the state and all economically active persons who do not receive social protection through their work (ILO 2002). This includes many different types of workers, including owners and employees of informal enterprises, owner operators of single-person businesses or farms, casual wage labourers and industrial outworkers, and unpaid family workers (Chen et al. 2005). There is often a fine line between these categories, and women and men may occupy several categories simultaneously as part of diversified livelihood strategies; what unites them is that their incomes (personal, household and business) usually fall well below thresholds for taxation and they do not, as citizens or workers, receive their fair share of public goods and services.¹ Together they represent a large (and in many cases growing) proportion of workers in developing countries – between one half and three quarters of non-agricultural employment in most developing countries, and a far higher proportion of total employment if informal agricultural production is included (e.g. 93 per cent in India, 90 per cent in Ghana, 62 per cent in Mexico) (ILO 2002).

1 Women's Economic Empowerment: WIEGO Position and Approach is available at: http://wiego.org/sites/wiego.org/files/resources/files/Chen_Economic%20Empowerment_WIEGO_Position.pdf

The employment opportunities available to working poor women are situated within a context of globalization and the spread of neoliberal economic policymaking over the last three decades. This has been shown to have had mixed effects on informal workers in general, and women in particular (Carr and Chen 2001). In some countries and in some sectors (e.g. garments and horticulture), new opportunities have emerged as large buying companies have developed global sourcing strategies that often involve outsourcing all or part of production to small, informal enterprises. The evidence suggests that much of this new work has been taken up by women, who work as self-employed producers, industrial outworkers or waged labourers (ibid.). However, driving the restructuring process is the need to continually reduce costs in order to be able to compete globally, with low prices and the ability to deliver flexible volumes “just in time” paramount. As such, many of the opportunities that have arisen have been characterized as low-return and high-risk, with informal producers having little power or control in trading relationships. Similarly, although women have been provided with valuable new opportunities to engage in waged work, the fact that the work tends to be low-paid, irregular and insecure has lessened the beneficial effects. This is a reflection of the fact that, in general, women are more likely to be informally employed than men and even within the informal economy, face a marked gender gap in resources, opportunities and earnings (ILO 2002; Chen et al. 2005).

In addition, in many countries there have been deep cuts in public sector employment and this has driven more people into the informal economy, thereby increasing competition for scarce resources and markets. Many producers in the informal economy also have to compete with cheap imported goods as a result of market liberalization (Carr and Chen 2001). This has placed women informal producers in an ever more vulnerable position, exacerbated further in recent years by the global economic crisis (Horn 2009).

Seeking Alternatives: Collective Enterprise and Fair Trade

Many women (and men) producers have sought to overcome these and other challenges by grouping together to form collectively-owned and run enterprises. These enterprises come in a variety of forms, including producer cooperatives, artisan associations, networks of home-based workers, and informal community-based groups. Through working jointly to produce and market their goods, as well as to access inputs, credits, services and information, they can benefit from economies of scale as well as increased bargaining power (World Bank, FAO and IFAD 2009). Group membership may also bring social benefits to women, such as a sense of identity and development of confidence and self-esteem, and solidarity and support in times of need (ibid.). In addition, collective enterprises have the potential to play a political role – especially when linked together through networks, alliances or federated structures – in advocating for the interests of their members in policy forums.

At the same time, growing awareness of injustice in global trade has led to a burgeoning “Fair Trade” movement which is organized around a set of principles and objectives for trade:

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. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.²

2 Definition agreed to in 2001 by a consortium of four large Fair Trade networks: Fairtrade International, WFTO, NEWS and EFTA – see <http://www.fair-trade-hub.com/support-files/fair-trade-definition.pdf>. The World Fair Trade Organization has also established “Ten Principles of Fair Trade” that its members must commit to. See Appendix 8 for full details.



There are two international bodies which play a key role in the Fair Trade movement: the World Fair Trade Organization (WFTO, formerly IFAT) and Fairtrade International (formerly FLO International). WFTO is a member-based organization for Fair Trade Organizations (FTOs), including more than 450 producer, trader, wholesaler and retailer enterprises.³ Fairtrade International acts principally as a standard-setting and certification body for Fairtrade-labelled goods,⁴ although it also provides support services to certified producers and producers play a key role in its governance structures.⁵ Under the combined umbrella of these two bodies, hundreds of thousands of producers in the global South are linked to both mainstream and niche markets on “fair” terms. WFTO members trade in food and non-food products but many are focused on artisan goods, while Fairtrade International largely involves agricultural products; for this reason, many producers are only part of one system or the other. However, the two bodies seek ways in which to cooperate for increased impact; for example, they established a joint Fair Trade Advocacy Office in Brussels to try to influence EU trade policy.⁶

As indicated above, the Fair Trade movement not only seeks to provide better trading opportunities to marginalized producers, it also aims to bring about broader change in the rules and practices of global trade. As some have noted, the fact that it tries to work both *in* and *against* the market can be problematic (Raynolds et al. 2007; Fridell 2007; Renard and Perez-Grovas 2007), and there are mixed views within the movement regarding the extent to which Fair Trade should engage with large corporate actors and conventional trading chains. On the one hand, being in mainstream markets allows Fair Trade to reach out to more producers and consumers, potentially creating a more powerful voice for change. But the risk is that, in the process, Fair Trade will serve to legitimate conventional trading structures and practices.

Collective enterprises have a special place in Fair Trade for two reasons. Firstly, producers must belong to democratic, membership-based organizations (i.e. collective enterprises) in order to qualify for Fairtrade certification.⁷ Secondly, many of the Fair Trade Organization (FTO) members of WFTO are collective enterprises themselves, or work predominantly with collective enterprises. A significant proportion of WFTO members also target their support to women’s enterprises (or enterprises involving women as employees) because women are understood to be the most marginalized from the benefits of trade – this is part of the reason why Fair Trade often involves handicrafts and textiles, as production in these areas tends to be dominated by women (with notable exceptions).

3 See the WFTO website for full details: <http://www.wfto.com/>.

4 In this document “Fair Trade” is used as an inclusive term for all organizations involved in fair trade markets, while “Fairtrade” refers specifically to producers and goods certified under the Fairtrade International system.

5 For example, it is governed by a General Assembly in which producers hold 50 per cent of seats, and has supported the development of regional producer networks. See the Fairtrade International website for full details: <http://www.fairtrade.net/>.

6 For more information, see <http://www.fairtrade-advocacy.org/>.

7 The Fairtrade International system also includes larger scale producers, with waged labour as the intended beneficiaries; in this case workers must belong to democratic organizations, ideally trades unions.

Time to Take Stock and Build on Lessons Learned

There are good reasons to believe that participation in collective enterprises and Fair Trade markets enables economic, social and political transformations in women's lives. However, to date there has been little systematic research into the scope and scale of these changes and the conditions under which they occur, and how women can be supported to build on the successes and overcome the challenges. This led WIEGO to initiate an action research project on Women Organizing for Fair Trade, as part of a global project on Women's Economic Empowerment.⁸ The overall project aimed to increase the "voice, visibility and validity"⁹ of poor working women by doing the following:

1. strengthen membership-based organizations of the working poor to address issues of organizing, market access, networking, policy influence and policy change
2. support women informal workers in articulating their needs and concerns to policymakers at all levels (e.g. municipal, national, regional, global)
3. improve the quality of information available to both informal workers and policymakers regarding the identified needs and concerns of the working poor
4. achieve positive policy changes to improve the lives of women informal workers
5. share key success factors where women informal workers have improved their livelihoods to achieve a multiplier effect through the movement of the working poor

Within this framework, the specific goals of the Women Organizing for Fair Trade project were:

1. to demonstrate how, when organized in collective forms of enterprise, women can engage with global markets in a way that brings transformational change both economically and politically
2. to show that there is a strong alternative Fair Trade movement which is mobilizing for structural solutions/redress to the inequalities of the global trade system
3. to expand and strengthen the Fair Trade movement through a process of mutual exchange and learning within and across regions

⁸ Funded by the MDG3 Fund of the Government of the Netherlands.

⁹ For WIEGO, empowerment refers to the process of change that gives working poor women – as individual workers and as members of worker organizations – the ability to gain access to the resources they need while also gaining the ability to influence the wider policy, regulatory and institutional environment that shapes their livelihoods and lives. WIEGO aims to support women's economic empowerment with programmes and activities that increase the voice of working poor women through strengthening their membership-based organizations, increase their *visibility* through deepening the research evidence on women in the informal economy, and increase their *validity* through joint advocacy to promote their legal recognition, protection and promotion as economic actors who contribute to the economy. Source: Women's Economic Empowerment: WIEGO Position and Approach, available at http://wiego.org/sites/wiego.org/files/resources/files/Chen_Economic%20Empowerment_WIEGO_Position.pdf.

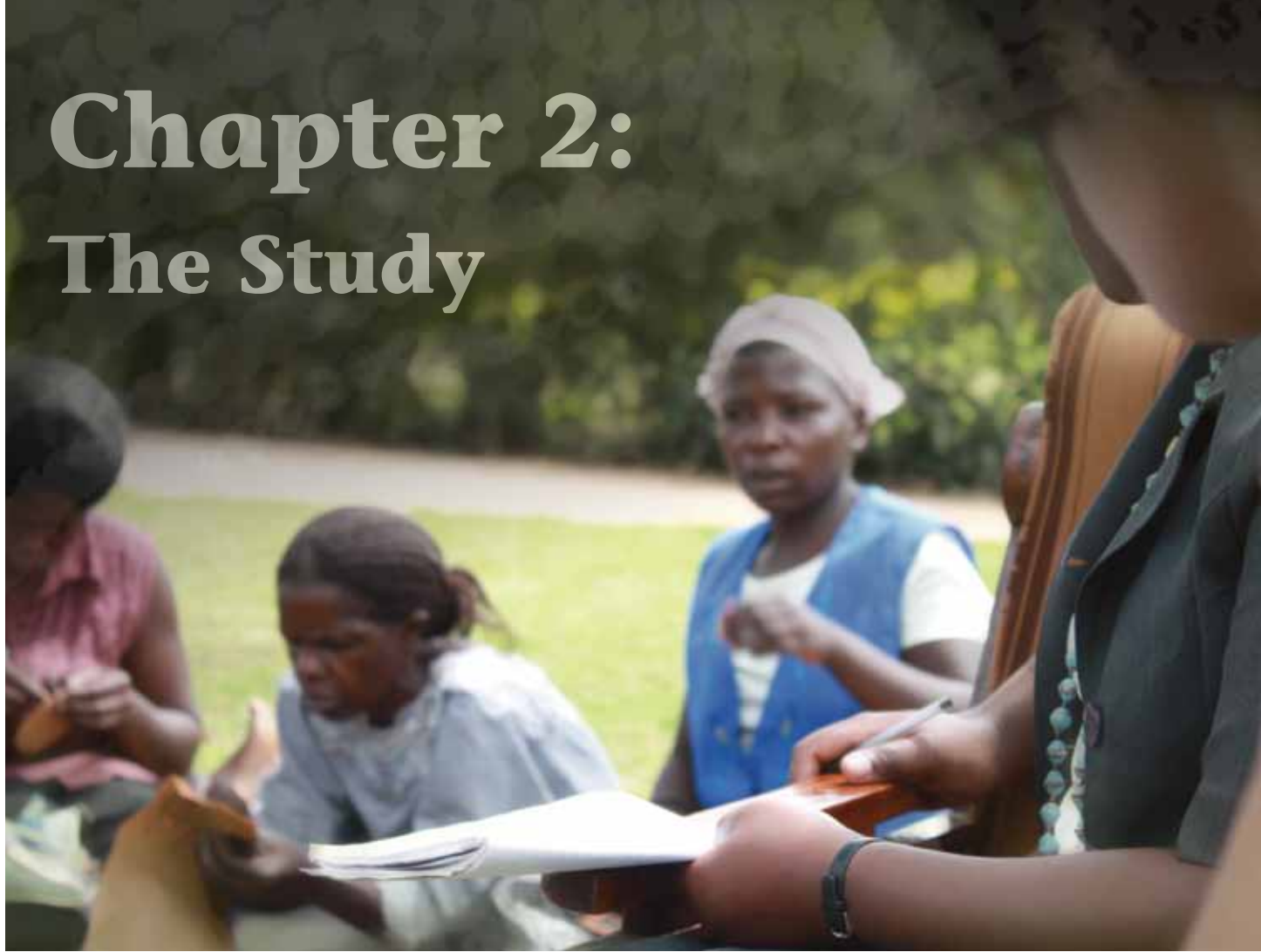
As detailed in chapter 2, the action research took place in seven countries in Asia, Africa and Latin America over a two year period from May 2009 to May 2011. The Global Trade Programme at WIEGO (Women in Informal Employment: Globalizing and Organizing), in partnership with leading country level Fair Trade organizations and networks, supported the local organizations of women producers who participated in the project. The purpose of this publication is to compile and share the research findings, in order to enable wider learning about what works well, and what does not work as well, for self-organizing groups of women producing for local and export markets. The publication also explores the role of Fair Trade – its principles and values, and its organizations and networks – in supporting women to engage positively in markets and in transforming the global trading system.

Structure of the Publication

The publication is structured as follows. Chapter 2 outlines the methodological approach, gives an overview of participant organizations and describes the process that was followed. Chapter 3 summarizes the benefits that women producers reported to be associated with participation in collective enterprises and Fair Trade markets. Key factors underlying the achievement of these benefits are set out in chapter 4, while in chapter 5 the remaining internal and external challenges for women, their enterprises and the Fair Trade movement are discussed. Chapter 6 summarizes the policy recommendations that emerged from the action research, including recommendations for governments and for the Fair Trade movement itself. Finally, chapter 7 draws out some overall conclusions from the project in relation to the role that women's collective enterprises and Fair Trade have played to date in empowering poor working women.

Chapter 2: The Study

Focus Group discussion with NAWOU researchers Sarah Nakisanze and Catherine Munyaga, Ngalo Group, Uganda. Photo: C. Willis 2009



An Action Research Approach

As indicated in Chapter 1, the Women Organizing for Fair Trade project had the dual purpose of, firstly, gathering research evidence to demonstrate that by organizing collective enterprises, women can engage with global markets in ways which bring transformational change, and secondly, strengthening the Fair Trade movement through a process of mutual exchange and learning. To achieve this, an action research approach was used, engaging Fair Trade producers, organizations and networks in a process of reflection, analysis, learning and action.

Action research has been described as:

A participatory, democratic process concerned with developing practical knowledge in pursuit of worthwhile human purposes.... [seeking] to bring together action and reflection, theory and practice, in participation with others, in pursuit of practical solutions of pressing concern to people.

Its characteristics include:

- It is context-bound and addresses real life problems.
- It is inquiry where participants and researchers contribute to knowledge through collaborative communication processes in which all participants' contributions are taken seriously.
- It treats the diversity of experience and capacities within the local group as an opportunity for the enrichment of the research-action process.
- Its credibility is measured according to whether the actions that arise from it solve problems.

Greenwood and Levin 1998: 93

As well as seeking to produce knowledge that can be practically applied, action research also aims to “empower people at a second and deeper level through the process of constructing and using their own knowledge...” (Reason 2001: 183). Crucially, it is not about extracting information for use by third parties, even though knowledge gained through the process may be useful to others.¹⁰ As such, the *process* is as important as the findings and must be designed in such a way as to ensure participants are comfortable to reflect on their experiences, in their own way. Researchers play the role of facilitators, listeners and reporters, and must spend time building trust and creating a safe space for participants to communicate. They must be self-aware and watch their own behaviour carefully to ensure they are not influencing what people say and how they say it.

Participants in the Research

The Women Organizing for Fair Trade project worked through Fair Trade networks and organizations in seven countries in Africa, Asia and Latin America in order to cover a wide spectrum of situations, products and organizational forms. On each continent, countries were selected for their proximity to each other so that women producers could meet and share learning should opportunities arise in the future. In Kenya, Tanzania, India and Nepal the project was led by the national Fair Trade network affiliates of the WFTO, who then identified member organizations to participate in the research. In Uganda the National Association of Women's Organizations of Uganda (NAWOU) took on this role, with the collaboration of UGAFAT, the national Fair Trade network. In Latin America the lead organizations were collective enterprises themselves, one a secondary level cooperative (PRODECOOP) which is part of the FLO system, the other a primary cooperative (Ya Munts'i B'ehña) which has supplied The Body Shop International Community Trade Programme for many years. All organizations and cooperatives that participated in the project work to Fair Trade principles, which include economic and social goals.

¹⁰ Part of WIEGO's overall approach is to build the knowledge base on informal workers and the informal economy, as a lack of sound data has been identified as a constraining factor in achieving policymaking that takes informal workers' needs into account.

Table 2.1 Countries and Lead Organizations in the Research Project

Country	Lead Organization
Kenya	Kenya Federation of Alternative Trade (KEFAT): Network of 90 Fair Trade organizations
Tanzania	The Tanzania Fair Trade Network (TANFAT): Re-formed in 2010 with 4 founder Fair Trade organizations
Uganda	National Association of Women's Organisations of Uganda (NAWOU): Network of 70 national and 1,500 community-based women's organizations
India	Fair Trade Forum – India (FTF-I): Network of 80 Fair Trade organizations
Nepal	Fair Trade Group Nepal (FTGN): Network of 17 Fair Trade organizations
Nicaragua	PRODECOOP: Cooperative Union representing 39 primary cooperatives
Mexico	Ya Munts'i B'ehña: Primary cooperative

In total, 16 collective enterprises participated in the research. For the larger enterprises (e.g. Sadhna in India, PRODECOOP in Nicaragua) a number of sub-groups were selected for inclusion in the project. Sub-groups were typically self-governing groups organized around production at the community level. Some were collective enterprises in their own right, in that they undertook some independent marketing, but most were dependent on the “parent” collective enterprise for the majority of their sales. The main characteristics of the 16 collective enterprises are shown in table 2.2. Further information about the history, structure and function of each group is provided in appendices 1-7 and in tables 4.1 and 4.2 in chapter 4.

Table 2.2 Overview of Collective Enterprises that Participated in the Research

Country	Collective Enterprises
Kenya	<p>Baraka Women’s Group with 38 members engaged in organic agricultural production and marketing through Undugu Fair Trade (member of KEFAT, COFTA and WFTO)</p> <p>Turkana Women’s Group with 180 women palm leaf basket weavers, marketing through Undugu Fair Trade</p> <p>Mathima Women’s Group with about 50 members weaving sisal kiondo baskets and marketing through the Machakos Cooperative Union (member of KEFAT, COFTA and WFTO), which has 78 primary cooperative societies and more than 60,000 individual members</p>
Tanzania	<p>Tusife Moyo Women’s Cooperative, Kidoti, Zanzibar, with 25 active members making soap, marketing through Kwanza Collection (member of TANFAT)</p> <p>Wawata Njombe (near the border with Malawi) with 300 active members organized in 5 village-based groups who weave reed baskets, marketing through Kwanza Collection (member of TANFAT, COFTA and WFTO)</p>
Uganda	<p>Kazinga Basket Makers with 60 members weaving baskets, marketing through NAWOU</p> <p>Ngalo and Kanyanya textile handicraft groups with 58 members, marketing through NAWOU (member of UGAFAT, COFTA and WFTO)</p> <p>Patience Pays Initiative, Kayunga, with about 100 members and Kangulumira fruit dryers with about 30 members, selling solar-dried fruit to the Fairtrade-certified export company, Fruits of the Nile (member of UGAFAT, COFTA and WFTO), via the Fruits of the Nile Growers Association</p>

Country	Collective Enterprises
India	<p>Artisans Association, Kolkata, linking 30 self-organizing rural and urban groups of artisans (mostly women) and women-headed small and medium enterprises (SMEs), and marketing through Sasha (member of FTF-I, WFTO Asia and WFTO) (The study involved 6 of these sub-groups.)</p> <p>SABALA, Bijapur, Karnataka, working with 1,000 women in 60 village community groups, doing its own marketing (member of FTF-I)</p> <p>Sadhna, Udaipur, Rajasthan, with 700 women members organized in 49 self-help groups, doing its own marketing; member of FTF-I (The study focused on 5 of these sub-groups.)</p> <p>All these groups work with textiles</p>
Nepal	<p>Association for Craft Producers (ACP), Kathmandu, with over 1,000 women producers, doing its own marketing; member of FTGN, WFTO Asia and WFTO (The study focused on the Kirtipur Weavers Group with approximately 50 members.)</p> <p>Women's Skills Development Organization (WSDO), Pokhara, working with 400 home-based weavers and hand-stitchers in self-organizing village groups, doing its own marketing; member of FTGN, WFTO Asia and WFTO (The study focused on 3 of these sub-groups: Bhajapatan, Lekhnath and Lama Chour Groups.)</p>
Nicaragua	<p>PRODECOOP, in the North of Nicaragua, a Fairtrade-certified agricultural cooperative union uniting 39 coffee cooperatives and around 2,400 members, doing its own marketing (The study focused on 8 primary cooperatives.)</p>
Mexico	<p>Ya Munts'i B'ehña, Valle del Mezquital, Hidalgo, a primary cooperative with around 250 members from 5 communities, marketing body scrubs made from maguey cactus fibre</p>



Methodology

An initiation workshop was held in Kathmandu with the five lead organizations from the WFTO network following the 2009 WFTO Biennial Conference. This provided an opportunity to present the project goals, discuss the approach and agree on next steps. A separate workshop was held in Nicaragua to initiate PRODECOOP, which in turn initiated the partner group in Mexico.

The research took place at a number of levels and involved a variety of methods. At the grassroots level, personal testimonies were gathered from women producers by local facilitators, capturing their life histories and how they came to be part of their groups and what difference this had made to their lives. Focus groups were also held with community-level groups to jointly discuss how groups were formed and managed, how they related to the market, what benefits were derived from group membership and from Fair Trade, and where key challenges lie. This helped inform an assessment of training needs, which was used by support organizations and WIEGO coordinators in their planning. At the level of the Fair Trade organizations and networks, an analysis of the broader context was undertaken to better understand the links between the macro-economic environment and the micro level at which groups operate, with a focus on identifying structural barriers to trade and women's economic empowerment. To help with this contextual analysis, representatives from a range of relevant organizations (women's organizations, NGOs, academics, etc.) were invited to workshops or seminars in each country; this also helped in the formulation of policy recommendations. The information was then synthesized into Country Case Study Reports. In addition, a photo journal was produced for each country to capture the lived realities of women producers and their life stories. Documentary films were also made in India, Nepal, Nicaragua and Mexico, allowing women to speak on camera and tell their own stories.¹¹

At the end of the project, in May 2011, a workshop took place in Mombasa, Kenya, to enable participating networks in Asia and Africa to meet, share and learn from each other. Through their attendance at the WFTO Conference, which took place immediately after the workshop, participants were also able to share learning with other producers and Fair Trade organizations and networks. Separate workshops were held in Mexico and Nicaragua in March 2011.

WIEGO provided overall coordination of the project as well as guidance on the methodology and analysis. In each country the lead organization appointed a project coordinator and partner organizations identified and trained facilitators for the community level fieldwork. The synthesis reports were produced by the lead organizations, although sometimes with external input.

11 These documentaries are available online at <http://fairtradeformenproducers.wordpress.com/>.

Limitations of the Study

The research used in-depth case studies to explore the ways in which women's lives are changed as a result of organizing collectively to trade, and participating in Fair Trade markets, in comparison to operating as individuals in conventional markets. The focus of the study was on how and why changes occur, and what the remaining challenges are. As such, it is important to emphasize that the research findings are particular to the case study enterprises and cannot be used as the basis for generalizations about collective enterprises and the impact of Fair Trade.

Similarly, the methodological approach limited the extent to which comparisons could be made between the situation of women in different groups and in different countries. The information generated in each case study varied considerably and as such it was not possible to compare outcomes in a systematic way. This was particularly a challenge when it came to identifying which organizational forms worked well, or not so well. However, as reported in chapter 5, it was possible to identify some common factors underlying "success" across the case study enterprises.

Another limitation of the study was that it focused exclusively on the production end of value chains, and did not include interviews with FTOs and networks in the North. This was because the focus of the action research approach was on capturing the voices of women producers themselves. However, given that the Fair Trade system relies on a chain of networks and support mechanisms, the research may be enriched in the future by capturing the perspective of FTOs and networks in the North. This would add value to the findings in providing a more comprehensive account of the dynamics of Fair Trade markets and the diverse network of actors which play a role in supporting women's collective enterprises.

In synthesizing the findings from all seven case studies for this report, some of the detail of the history and achievements of each enterprise, and the contexts in which they are located, is lost. Although brief accounts are given in appendices 1-7, readers are encouraged to look at the photo journals and videos created for this project, which can be found on the CD accompanying this publication and at <http://www.fairtradeformenproducers.wordpress.com>. These provide a fuller flavour of the case study enterprises and the changes they have brought to women's lives, as articulated in the research participants own words and pictures.

Chapter 3: The Benefits of Women's Collective Enterprises and Engagement in Fair Trade

In this chapter we summarize what women producers said about the changes that have occurred in their lives as a result of participation in collective enterprises and Fair Trade markets. These accounts emerge from their life stories (recorded in written, photographic and video formats) as well as from group discussions during workshops at local, national and international levels. The focus in this chapter is on capturing the voices of women members of community-based organizations with the aim of giving women space to reflect on what it has meant to them to be part of their particular groups.

Women members of Ya Muntis 'i Behna cooperative celebrate their 10th anniversary



Stories of Change at Individual and Household Levels

Across Africa, Asia and Latin America, women producers recounted how being part of collective enterprises had enabled them to **build stronger livelihoods and helped to sustain their families**. Married women talked of making substantial contributions to household income, in some cases exceeding those of their husbands, and how this had both improved their standard of living and given them higher status within the family. Their income was often used to pay for improvements in housing and for school-related expenses (fees, books, etc.) and household items and bills (furniture, kitchen appliances, electricity, etc.), as well as for healthcare expenses. In the case of unmarried, divorced or widowed women, who made up a significant proportion of many of the groups, the income they earned was often critical in protecting them from destitution.

Through the weaving of baskets we have been able to get money thus managed to send children to school, we are able to buy furniture. Through the project women have also benefited by changing the houses from grass thatch to corrugated iron sheets. Thus the basket weaving has really become our own source of income. This is supplementing our farming efforts. This activity has also contributed to the change for our husbands' attitude as they see now the benefit. This has made them to be supportive of the weaving activities as women contribute to the wellbeing of the family. As a group we are now looking at the possibilities of planting the raw materials for ourselves. The problem is to secure the land.

Yesekina Joseph Mwinami, Wawata Njombe, Tanzania¹²

12 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyiswa Mbise. Tanzania: TANFAT, 2011: 46.

Now with the work we have from our artisan work... well, a little bit of income comes into the house and we use it to pay for electricity, to buy food and to help our husbands... So yes, it has helped us... When [my husband] has [money] he gives to us and when he doesn't have [money] we support him... between the two we support each other.

Concepción Flores, Ya Munts'i B'ehña, Mexico¹³

Box 3.1 Life History of a Member of SABALA, India

Gangabai had been working as an agricultural labourer. SABALA, during its survey in Ainapur Tanda in 1998, was looking for women who were struggling and those seeking employment. She was trained in design development by the designers who came in to design products. She was also trained by staff in the embroidery section. Soon she became an expert artisan. Now, she is the president of the Santosh Mata Mahila SHG (Self Help Group), which consists of 20 women. Each member of the SHG is a member of Chaitanya Mahila Co-op Bank Ltd. established by SABALA, which grants each member a loan of Rs. 30,000. Gangabai has purchased a site with this amount. She has also represented the artisans in many exhibitions held in Bangalore, Mumbai. Today she earns around Rs. 4,200 monthly. Her son has completed TCH and is a newly appointed primary school teacher. She is a newly elected member of Gram Panchayat – and all SHG members of the village supported her to help her win this position. Four daughters are married now and three are yet to be married. All her children know the traditional craft of Banjara. She has also fought against illicit liquor selling in her village.

Source: Extract from FTF – India country case study report¹⁴

13 Source: "Workshop: Analysis of Markets, Fair Trade and Gender with Rural and Indigenous Women in Three Regions of Mexico." Cited in "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011: 25.

14 Source: "Economic Empowerment of Women in the Informal Economy in India: A Contextual Analysis Report." New Delhi: Fair Trade Forum – India, 2011: 30.

In Kenya, Uganda and Tanzania, many women reported being able to save money from their collective enterprise sales to **invest in other small enterprises in order to diversify their sources of income**. For example, Dalia Msigala, a single mother from Njombe, Tanzania, said: "I am also a farmer and I keep livestock. I have one pig which ... just gave birth to six piglets. The pigs keeping capital came from the money from selling baskets."¹⁵ This is particularly important where markets for the women's products are irregular or in decline, as is the case for some of the basket weavers in Kenya. Through their involvement in collective enterprises, women are also gaining confidence to enter into economic activities that are traditionally the domain of men. For example, the 20 members of the Kolokol Ewola Women's Group (a sub-group of the Turkana Women's Group) in Northern Kenya had saved 50 per cent of their income from baskets each month; they used this money to invest in a fishing boat which has now become their main source of income.

15 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyiswa Mbise. Tanzania: TANFAT, 2011: 47.



Members of the Kolokol Ewola Sub-Group preparing their fishing nets, Lake Turkana, Kenya.
Photo: G. Engole, 2011

Culturally and traditionally Turkana women do not fish. Only men fish. Now that we have a boat, we go out on the Lake with our sons and nephews. This means that we have cut out one of the links in the fish supply chain. Some of the fish is sold to traders from Nairobi who come up to Turkana with refrigerated vans. Most is dried and sold to markets as far away as Uganda and Rwanda.

Grace Engole, Chairwoman of the Kolokol Ewola Sub-Group, Turkana, Kenya¹⁶

A common finding across the case studies was that the collective enterprises presented women with **rare opportunities for earning their own income, in contexts where women face numerous restrictions** in doing so (e.g. lack of productive resources such as land and capital, low levels of formal education, heavy burdens of unpaid work in the household, and social limitations on their participation in public spaces). This was particularly important in India and Nepal, where many of the enterprises involved women who were single mothers (often following abuse or rejection by husbands and in-laws, or after being married at a very young age) and who lacked support from their own families. In a context where this carries considerable social stigma, these women reported being given a unique opportunity and a safe place to establish themselves and had become “skilled, capable craftswomen able to engage positively with markets.”¹⁷ Being able to provide for themselves and their children had in turn led to noticeable **improvements in women’s confidence and self-esteem**.

Box 3.2 The Case of Surya

Surya is separated from her husband and has been a sole provider for her two children and herself for the last 13 years. Surya has a sense of contentment when she looks back and recalls that working with [the Women’s Skills Development Organization] has enabled her to raise her daughters, both of them now married. She has a savings account in a local bank and is also extremely proud that the gold necklace and earrings she wears are made from her own income.

Source: From the personal testimony of Surya Pandit, Banjhapatan sub-group, WSDO, Nepal¹⁸

16 Source: Carol Willis interview with Grace Engole, Nairobi, Kenya, 2 November 2010.

17 Source: Fair-Trade Forum – India presentation at Mombasa Workshop, May 2011.

18 Source: “Fair Trade: Keeps Informal Sector Producers Going Amidst Challenges of Globalization.” Photo journal prepared for the Women Organizing for Fair Trade project, Nepal, 2011.

Similarly, in Mexico many of the members of Ya Munt's'i B'ehña were *de facto* heads of households, as husbands and sons have migrated to the USA in search of work, leaving them with a heavy burden of productive and reproductive work. A culture of "machismo" prevailed in their communities, with men disparaging of women's abilities and women themselves doubting their worth. In this context, women reported that the opportunity to work together and sell sisal scrubs to an international retailer has been a significant lifeline and source of pride.

In Uganda it was reported that new income-earning opportunities for women had **enabled families to stay together in rural areas** rather than being forced to move into urban areas to find work as casual labourers or to carry out petty trade. More generally, **where production was home-based, women could undertake paid work while also fulfilling their family responsibilities**. An important outcome for many married women was that their contribution to household income had led to **changes in their husband's attitudes** towards them and given them **more influence over decision-making within the household and community** (although men still tend to have ultimate authority).¹⁹ In some cases (e.g. in Nepal and Nicaragua) **husbands were reportedly helping more with domestic chores**, freeing up women's time for productive work.

Box 3.3 The Case of Sushila

After working with Sabala for 12 years, Sushila has become more efficient with her time and resources. She has built a bigger house and bought more land and she has changed her husband's mind, too. Initially her husband was reluctant to allow her to work elsewhere. He believed that a woman's place was at home, and thus the only work that she should be allowed to do is in the house. However when he saw the amount of money that was coming in for them to make a new house, he allowed her to work.

Source: From the personal testimony of Sushila Shivaji Rathod, SABALA, India²⁰

19 In India women also reported gaining respect from their in-laws, which is important in the Indian context where women are "given" to their husband upon marriage and are often highly dependent on their husband's families.

20 Source: "Untold Stories: Unsung Songs." Photo journal prepared by Naga Nandini for the Women Organizing for Fair Trade project, India, 2011.

My life was very difficult. My husband, even though he was ill, didn't have confidence in me, but I never left him just like that, I got up at 3 a.m. and I left him food and I looked out for him... There was a time when I wanted to leave [the cooperative because] he said, "You are never here, you can't go anymore." But I told him, "From there I earn for the children and your medicine." And he understood. And now, when you tell me that I have to come to a workshop or some activity, I just say to him, "I'm going to the centre."

Luciana Bautista, Ya Munts'i B'ehña, Mexico²¹

I used to feel afraid to express myself and had low self-esteem. [Now] I am responsible for managing the credit and I am respected in the community.

Unnamed woman member of PRODECOOP, Nicaragua²²

21 Source: "Workshop: Analysis of Markets, Fair Trade and Gender with Rural and Indigenous Women in Three Regions of Mexico." Cited in "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011: 26.

22 Source: Notes from a workshop exercise with representatives from the eight primary society members of PRODECOOP that took part in the Women Organizing for Fair Trade project.



PRODECOOP - The income from Fairtrade premiums supports education in the community. Photo: A. Martinez Bellorin

Benefits Associated with Being Part of a Group

Women producers from all seven countries reported numerous benefits derived from membership of the case study organizations, some of which related to group membership in general while others were specific to the conditions and services offered by the organizations. With regard to the former, a key benefit was being able to **share ideas and experiences and learn from each other**, especially in relation to production skills and techniques. This is particularly important for craft producers, who need to be able to adapt their product designs and colours to meet changing market demands; it is also important for improving agricultural production.

We can show each other how to weave and how to make different designs of baskets. Some women do not know how to make [sisal] strings. They buy strings from those who do. We give each other guidance and counselling. When we are together we help the older women [whose eyesight is not so good] to identify the colours so that everything is uniform... We meet every Monday and make baskets together all afternoon. If someone makes a mistake, it can be corrected. If MCU wants new designs we can learn them when we meet.

Unnamed member of Mathima Women's Group, Kenya²³

Enhanced access to markets is a key benefit of group membership for most women producers, although some of the groups have struggled to get regular orders and many have experienced a drop-off in sales in recent years (as discussed later in this publication). By working together they are able to achieve economies of scale in buying raw materials, to solve production problems, and to develop their skills and handle larger orders, all of which makes them more attractive to buyers. Being part of a group can also give women producers **greater bargaining power and understanding of market information**, which helps them to make better decisions about whom to sell their goods to, at what price and when. For example, representatives from the groups that are associated with the WSDO in Nepal decide jointly with management the piece rates for individual products. Likewise, groups associated with the Artisans Association in India set their own prices, with support from the Association in how to undertake costing and pricing.

Another important benefit women spoke about is **access to training and/or extension services**, most often from the Fair Trade Organizations (FTOs) to which they are linked, or from Fair Trade buyers further up the chain, but also from government bodies and development agencies that work with groups to deliver services. Women have been given training in a range of areas, from production skills, book-keeping and marketing to money management, literacy and preventative health. Women from several groups talked about becoming **better informed, educated and more confident and aware of their rights** as a result of this capacity building.

Before the men criticized, “How are women going to do it... how can you think they are going to be able to use a computer, how can you think that they will make progress?” But now they see us and they ask us, “In little time you have learned, how have you done it? Teach me.” And our children also say, “Mama, teach me or we will teach you so that you learn more.” So we have advanced... because we all can, we externalise it and we have the power... In meetings we voice our opinions and sometimes we don’t shut up!

Concepción Flores, Ya Munts’i B’ehña, Mexico²⁴

24 Source: “Workshop: Analysis of Markets, Fair Trade and Gender with Rural and Indigenous Women in Three Regions of Mexico.” Cited in “The Organizational Experience of Ya Munts’i B’ehña: Indigenous Mexican Women Weaving their Own History.” Mexico: Ya Munts’i B’ehña and Ñepi Behña, 2011: 21.

Tusife Moyo has enabled me to network and meet others for learning and exchange ideas which eventually makes life easier as I understand more and I am not alone. Just being a member I now know the use of bank where I am saving money for my business and access loan when necessary. I got a bit of basic business training which now helps me when doing business as an individual and for the groups. Additional to the soap production, I have learnt how to weave baskets that are also used in the packaging. Business engagement for a woman frees women from the dominance of men.

Nezuma Simai Juma, Tusife Moyo, Tanzania²⁵

Now I have knowledge of the cooperative law, how to do the work in the fields, knowledge about access to personal credit. I have a benefit from being organized and this I didn't have before.

Unnamed woman member of PRODECOOP, Nicaragua²⁶

Many women also **access inputs** through their groups. In some cases this involves working collectively to harvest and process raw materials, as done by the sisal basket makers of the Mathima Women's Group in Kenya, while others purchase inputs collectively, thereby getting better prices and reducing their costs. Sub-groups of the collective enterprises typically receive inputs via their "parent" enterprises (such as SABALA and Sadhna in India), although they may also purchase inputs directly (e.g. Kologhat Socio-Economic Welfare Society, member of the Artisans Association, India).

25 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyswa Mbise. Tanzania: TANFAT, 2011: 55.

26 Source: From notes of a workshop exercise with representatives from the eight primary society members of PRODECOOP which took part in the Women Organizing for Fair Trade project.

The day we visited women of Rithepani group, they had come together to meet to discuss about renting a place where they will stock the cotton thread and distribute the thread to women from there. The women were happy and excited that they no longer will have to travel to nearby town Pokhara to get their cotton... It saves time and money.

Extract from the photo journal by Fair Trade Group Nepal²⁷

Access to financial services is another important benefit associated with many of the collective enterprises. For example the WSDO in Nepal has its own cooperative savings and credit program through which all members can take out loans at a nominal interest rate or channel a portion of the payments they receive into a savings account. SABALA in India has set up a cooperative bank which is run “by women for women” – it has around 7,000 active members and 25,000 clients, with total capital of approximately US \$4.5 million.²⁸ Another example is PRODECOOP in Nicaragua, which has a rotating credit fund with US \$49,000 of capital; members can access loans at the beginning of the season and then pay them back upon harvesting and delivering their coffee.²⁹ On a much smaller scale, in some countries (e.g. Kenya) group members have established rotating savings and credit schemes (ROSCOs or “merry-go-rounds”) into which they pay a fixed sum each month, with one member receiving the total amount as lump sums of cash to invest in their enterprises or to pay for high value household items and expenses. Given that working poor women often face significant barriers to accessing financial services, these are important contributions to women’s economic empowerment.

In addition to these (mainly) economic benefits, various social benefits from group membership were reported. **Solidarity and a source of support in times of difficulty** were mentioned in all seven countries, with women often helping each other to cover emergency expenses or to access loans. For women who are marginalized in their communities (e.g. for being separated from husbands or disabled), having a group of people with whom they can voice their opinions and concerns helps in overcoming their isolation and enhancing their access to social protection.

27 Source: “Fair Trade: Keeps Informal Sector Producers Going Amidst Challenges of Globalization.” Photo journal prepared for the Women Organizing for Fair Trade project, Nepal, 2011.

28 See http://www.sabalaindia.com/gramena_bank.html.

29 See http://www.prodecoop.com/index.php?option=com_content&task=view&id=205&Itemid=107.

I was married and divorced once and left with four children. My ex-husband left with two children and I take care of the other two. I face many challenges, among them is being economically independent. I knew being independent requires enduring so much in our culture but... Tusife Moyo Kidoti has encouraged and facilitated me to face all.... My children are living comfortably and I can afford to pay the school fees. There was a time I got ill for a long time but was able to pay my hospital bills through the business though I was not working. Even if I am stuck financially, my group supports me to access loan.... Tusife Moyo has enabled me to network and meet others for learning and exchange ideas which eventually makes life easier as I understand more and I am not alone.

Nezuma Simai Juma, Tusife Moyo, Tanzania³⁰

Finally, **improvements in women's self-confidence and self-esteem** was perhaps the most widely reported benefit associated with group membership, derived in part from women's economic achievements but also from having experiences of participating in group meetings, travelling to markets to source inputs, and attending workshops and exhibitions – sometimes overseas. Some women have taken on leadership roles in their groups as chairs, secretaries or treasurers, while others have developed the confidence to participate in decision-making in their groups and in various other ways in their communities. For women who had often never left their villages before, these experiences served to open up their horizons and to strengthen their belief in their own abilities.

Before [us] women didn't have value or power to decide things, because of the fear that one had. Women weren't worth anything, they should just stay at home, cleaning or looking after children. I think that it's something really important that in the group one can learn... how to value [ourselves as] women, because before we didn't talk or go out with other women, other artisans.

Josefina Oliva, Ya Munts'i B'ehña, Mexico³¹

30 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyswa Mbise. Tanzania: TANFAT, 2011: 54.

31 Source: "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011: 24.

The group has enabled me to face the challenges as I feel more self-confident because when you are in the team you learn from others and are inspired to do better. I appeal to women to come out of the shell and become bold to change their ill-conceived weak status. Joining the group will consolidate their efforts to fight poverty.

Mpaji Ali Nahoda, Tusife Moyo, Tanzania³²

Box 3.4 The Case of Dipali

In the beginning, the women were so unused to the city that even the idea of a taxi was new to them. As they started interacting with Self Help, their horizons expanded... Dipali started travelling some distances to buy fabrics. She recalls an incident when she went all the way to Benaras to return some defective fabric that a trader had sent them, without knowing anything about the place. It took a lot of courage to step into the unknown this way.

Source: The personal testimony of Dipali Pramanik, Kologhat Socio-Economic Welfare Society, Artisans Association, India³³

When asked what has been the most significant change in her life, one Nicaraguan woman responded:

To be able to recognize that I am an important woman, with rights and that I can decide for myself in my life. Now I control the work in my home and it's me who decides whether to get involved in the projects that the cooperative offers. Also, now that I'm organized I feel safer and more confident, I have been able to see the place that [the cooperative] gives to women.

Flor de Liz, comunidad de la Luz en Quilali, PRODECOOP, Nicaragua³⁴

32 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyiswa Mbise. Tanzania: TANFAT, 2011: 55.

33 Source: "Untold Stories: Unsung Songs." Photo journal prepared by Naga Nandini for the Women Organizing for Fair Trade project, India, 2011.

34 Source: "Case Study of the Contribution of Women in Productive and Organizational Processes." Nicaragua: PRODECOOP, 2011.



Benefits Associated with Participating in Fair Trade Markets and Networks

Many of the group benefits mentioned above are linked in some way to participation in Fair Trade markets, although women producers were not always fully aware of the linkages. As reported above, in East Africa and Asia it is often the Fair Trade intermediary organizations, one step up the supply chain, that provide women with capacity building support in the form of seminars and workshops on, for example, quality control, new product development, or costing and pricing. The FTOs also help with training on governance issues, group organization, how to run a business and financial management – often with the support of their Fair Trade buyers in the global North. Groups are also provided with information on export market requirements. Above all, these **intermediaries have given women producers access to Fair Trade and other export markets, which usually give a better price for their products.**

Importantly, FTOs have given **opportunities to extremely vulnerable women** who would otherwise struggle to find employment or make a living. In India and Nepal women working with Fair Trade craft associations gain access to **decent prices as well as various social security provisions** such as pension funds, medical insurance and maternity payments. A member of the Association for Craft Producers (ACP) in Nepal, when asked why group members did not take orders from other buyers, explained:

Because of the benefits. Not only do we get more on direct cash payment for each meter, a part of the wage also gets deposited in the gratuity fund at ACP. We are also entitled to medical allowances which makes up to about 60-65 per cent of our wages.

Unnamed ACP member, Nepal³⁵

35 Source: "Fair Trade: Keeps Informal Sector Producers Going Amidst Challenges of Globalization." Photo journal prepared for the Women Organizing for Fair Trade project, Nepal, 2011.

This is in contrast to the poor working conditions and long working hours, often without adequate payment, in other informal economy enterprises where women are concentrated. Women in both India and Nepal have also been **encouraged to negotiate for better conditions** within their organizations. For example, ACP is now a large group with 1,200 producers who successfully lobbied ACP management to correct a wage disparity between in-house and home-based producers. This was the start of a new dimension in group activity. "Not only did they use individually the skills taught by ACP in the making of crafts, but they also collectively made use of their personal and group empowerment facilitated by ACP for their interest, for the first time ever."³⁶

Fair Trade links also enable women producers to meet others and **extend their networks of contacts** beyond their immediate locality. Through facilitating their participation in workshops, trade fairs and exhibitions, the FTOs have given much-valued national and international exposure to women producers.

With Fair Trade I have seen that we have advanced a lot, we have achieved a lot of things. We can deliver the work and receive the money, a good price, they don't take from us or steal from us. When you first met us we didn't have anything, just the little house that we borrowed. Now with Fair Trade we try to do quality work to not lose this market. It's also really nice to get to know more organizations, because we were self-absorbed, closed, we didn't open the door and put time in to get to know women from other organizations... This way, perhaps we can help another organization by showing them how to grow, or vice versa. So this is the important thing and the great thing – when we share with other organizations we can grow more.

Luciana Bautista, Ya Munts'i B' ehña, Mexico³⁷

A more complete understanding of the benefits of association with Fair Trade markets and networks came through in the analysis of key success factors for the collective enterprises, as discussed in the next chapter.

36 Source: Ibid.

37 Source: "Workshop: Analysis of Markets, Fair Trade and Gender with Rural and Indigenous Women in Three Regions of Mexico." Cited in "The Organizational Experience of Ya Munts'i B' ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B' ehña and Ñepi Behña, 2011: 30.



Chapter 4:

Key Factors for Success

One aim of the research project was to increase understanding about which types of organizational forms work well and which types work less well, in order to inform strategies for supporting women's economic empowerment through linking them to markets. To this end, representatives from each case study group, as well as from the Fair Trade networks that were partners in the research, reflected on the ingredients for success at the final sharing and learning workshop in Mombasa, as well as during the process of action research in each country. In this chapter we summarize their views through a cross-country analysis.

Categorizing Collective Enterprises

A typology of women's collective action (in agricultural markets) developed by Oxfam GB (Baden and Jain 2011) was used to try and characterize the main features of the 15 case study groups across four dimensions, as summarized in table 4.1.

Table 4.1 Characterization of the Case Study Collective Enterprises

<p>Characteristics of the organization (structure and function)</p>	<ul style="list-style-type: none"> • The groups in Mexico and Nicaragua are multi-purpose cooperatives (primary and secondary level, respectively) which undertake a range of activities, including marketing and other services. • The groups in East Africa are mostly small, community-based groups which are largely dependent on FTOs for their links to market, although some are active in finding local markets. One (Mathima Women's Group in Kenya) is part of a large multi-purpose cooperative union through which they access markets. • In Asia four enterprises are multi-purpose FTOs established to support self-governing groups of artisans operating from workshops or from home. In one case the artisans are owners of the FTO and receive dividends (Sadhna in India), whereas others are not-for-profit organizations (SABALA in India, ACP and WSDO in Nepal). The fifth group (Artisans Association in India) is a textile producer collective with self-governing groups of artisans and women-headed SMEs as members and strong links to the marketing FTO Sasha. • Most groups specialize in a single sub-sector (e.g. sisal scrubs in Mexico, textiles in India), but some groups work together across a more diversified range of products. Most groups provide a range of services to members, as detailed in table 4.2.
<p>Degree of women's involvement</p>	<p>All but four of the groups are women-only. The Artisans' Association in India has 30 member organizations, 15 of which are women-only and include more than 1,000 members. Ninety per cent of the ACP's 1,200 members in Nepal are women. Women constitute 25 per cent of PRODECOOP's (Nicaragua) membership and are becoming more active in the organization. Kangulumira in Uganda is a mixed group with women as active members and holding leadership positions. (SABALA and Sadhna in India are women's organizations but a few men do work in areas such as accounting, administration, pattern cutting and finishing.)</p>

<p>Degree of formality</p>	<p>Most of the groups are registered with relevant authorities, with well-defined rules and norms, and an explicit membership,. However, the degree of sophistication (e.g. size, professional management, office facilities, etc.) varies greatly. Some groups are semi-formal at the village level (i.e. they have a structure and regular meetings but are not officially registered) but members are part of a formally registered enterprise (e.g. Mathima WG in Kenya, SABALA and Sadhna in India, WSDO and ACP in Nepal).</p>
<p>Degree of external support</p>	<ul style="list-style-type: none"> • Most of the groups in all seven countries receive substantial external support, in terms of capacity building, market linkages, financial services and/or grant funding. • In Africa capacity-building and marketing support is primarily from FTOs, although the extent of this support varies. Ya Munts'i B'ehña in Mexico receives ongoing capacity building support from a local NGO, funded by the cooperative itself as well as with some external donor funding. PRODECOOP in Nicaragua receives financial support for its social programmes from various donors as well as drawing on Fairtrade Premium³⁸ funds. • In Asia capacity building and market linkages for community-based women's groups are either internal to the enterprises (as FTOs themselves) or are received from an FTO to which the organization is linked (e.g. Sasha in the case of the Artisans Association). • In several cases the FTOs were instrumental in the formation of community-based women's groups; in the Mexican case it was the international buyer in conjunction with an FTO which initiated group formation. • Support is also received from the Fair Trade networks, including provision of market information and links to buyers and enabling Fair Trade producers to participate in trade fairs and exhibitions. • It was noticeable that groups of agricultural producers more often received additional support from donor organizations and development agencies than groups of handicraft producers.

38 Goods sold through the Fairtrade International system earn a premium on top of a set price, to be used as the Fairtrade producer organization decides. The premium is often used for social development purposes, but is also used to strengthen producer businesses (e.g. for infrastructure or processing equipment).

To further develop this characterization, table 4.2 shows the services and activities undertaken by each case study organization, separating community level sub-groups from the “parent” or “secondary” organizations they are linked to. Additional information in relation to the history and functions of each enterprise is given in appendices 1-7.

Table 4.2 Characterization of Services and Activities Undertaken by Case Study Enterprises and Linked Organizations

	Marketing ³⁹	Product-related services ⁴⁰	
1. Baraka Women’s Group		√	
2. Turkana Women’s Group	√		
1 & 2 both linked to FTO, Undugu Fair Trade, Kenya	√	√	
3. Mathima Women’s Group			
Part of Machakos Cooperative Union, Kenya	√	√	
4. Tusife Moyo Women’s Cooperative	√	√	
5. Wawata Njombe	√	√	
4 & 5 both linked to FTO, Kwanza Collection, Tanzania	√	√	
6. Kazinga Basket Makers		√	
7. Ngalo and Kanyanya Textile Handicraft Groups	√	√	
6 & 7 both linked to FTO, NAWOU, Uganda	√	√	
8. Patience Pays Initiative and 9. Kangulumira fruit dryers		√	

	Input supply ⁴¹	Financial services/ ROSCO ⁴²	Organizational development ⁴³	Non-commercial activities ⁴⁴
		√		√
	√	√		√
	√		√	
	√	√		√
	√	√	√	√
	√	√		√
		√	√	√
	√			
			√	√
		√		√

	Marketing ³⁹	Product-related services ⁴⁰	
8 & 9 both members of Fruits of the Nile Growers Association, Uganda	√	√	
<i>Kolaghat Socio-Economic Welfare Society⁴⁵</i>	√	√	
<i>Self Help Handicrafts Society</i>	√	√	
<i>Panchannagram Mahila Samiti</i>		√	
<i>Tantulia Kantha Centre</i>		√	
<i>Raihigi Saswati Mahila Samiti</i>		√	
<i>Sreema Mahila Samiti</i>		√	
Members of 10. Artisans Association	√	√	
Linked to FTO, Sasha. India	√	√	
<i>60 self-governing village groups</i>		√	
Members of 11. SABALA, India	√	√	
<i>Jagdish Tailoring Unit⁴⁶</i>		√	
<i>Ratakhet Group</i>		√	
<i>Gail Village Group</i>		√	
<i>Delwara Village Group</i>		√	
<i>Shizwi Village Group</i>		√	
Co-owners of 12. Sadhna, India	√	√	

	Input supply ⁴¹	Financial services/ ROSCO ⁴²	Organizational development ⁴³	Non-commercial activities ⁴⁴
	√	√	√	
	√			√
				√
				√
				√
				√
				√
	√	√	√	
	√	√	√	√
	√	√	√	√
	√	√	√	√

	Marketing ³⁹	Product-related services ⁴⁰
<i>Kirtipur Weavers Group</i>		✓
Members of 13. ACP , Nepal	✓	✓
<i>Bhajapatan, Lekhnath and Lama Chour Groups</i>		✓
Members of 14. WSDO , Nepal	✓	✓
<i>8 Primary Cooperatives</i>		✓
Members of 15. PRODECOOP , Nicaragua	✓	✓
16. Ya Munts'i B'ehña , Mexico	✓	✓

As can be seen from tables 4.1 and 4.2, there was considerable variation across the 16 collective enterprises that participated in the action research, with no two groups identical in form. Table 4.2 shows clearly that all groups are associated with a range of benefits in terms of gaining access to markets, inputs, financial services and technical assistance, as well as a variety of non-commercial activities (e.g. community development projects, social protection, literacy classes and life skills training). However, there were some differences between continents: in general, community-level groups in Asia and Latin America received higher levels of support from FTOs or secondary level organizations compared to the African groups, which were more likely to provide the services (often informally or at a limited scale) to members themselves. This was both a reflection of the size and structure of the enterprises themselves and the resources available to the FTOs. Larger enterprises such as SABALA, Sadhna and PRODECOOP have evolved over time into multi-purpose organizations linking between 35 and 60 smaller groups; through this evolution they have developed a range of services and activities to meet members' needs. In addition, the enterprises and FTOs in Asia and Latin America have historically had good linkages to Fair Trade markets which have allowed them to develop more sophisticated businesses. In contrast many of the groups in Africa were quite small and less formal and sometimes had fairly weak links with Fair Trade organizations and markets.

	Input supply ⁴¹	Financial services/ ROSCO ⁴²	Organizational development ⁴³	Non-commercial activities ⁴⁴
	√	√	√	√
	√	√	√	√
	√	√	√	√
	√	√	√	√
	√	√	√	√

39 Marketing finds buyers and sells products collectively, negotiating a price jointly, on domestic or export markets, and/or engages in direct retail.

40 Product-related services provide members with access to training and/or information on production, processing, design, packaging, etc. In some cases this is through member-to-member sharing of skills.

41 Input supply relates to working collectively to secure inputs such as raw materials, seeds, fertilizers etc., or to process them.

42 Financial services/ROSCO provides members with services such as cooperative banks, savings and credit schemes or rotating funds.

43 Organizational development involves training and capacity building services and activities are aimed at strengthening the management and functions of a group.

44 Non-commercial activities and services are those that the group undertakes which are not related to their commercial activities. Examples include community development projects, burial funds, literacy classes, health education, and life skills training.

45 The groups noted here all feature in the India photo journal and are 6 of the 15 self-organizing women-only groups in membership of the Textiles Artisans Association in Kolkata.

46 The groups noted in this section all feature in the India photo journal and are 5 of the 49 self-organizing women-only groups in membership of Sadhna, Udaipur, Rajasthan, India.

The findings in chapter 3 demonstrate that all of the case study enterprises have been successful in supporting women's economic empowerment but it was clear that the range and extent of benefits varies from case to case. In general, the services and activities identified in table 4.2 are all important for the development of successful trade links and the delivery of both social and commercial goals, and, logically, where more are provided by the enterprise or linked organizations, the benefits to members are likely to be greater. However, the participatory action research methodology did not foster the generation of comparable data with which to measure "success." As such it is not feasible to reach definitive conclusions about how and why some forms of organization work better than others, especially given the importance of context to outcomes. But it is possible to identify factors which appear to have been important in bringing about, and sustaining, the kinds of benefits to women reported in chapter 3. These factors can be grouped into three areas:

1. factors related to the dynamics and functioning of groups
2. factors related to the achievement of commercial success
3. local and global linkages

Success Factors Related to Group Functioning and Dynamics

Strong Leadership

The importance of leadership emerged from case studies in all three continents. Many of the groups are led by highly dedicated and visionary leaders who encourage and inspire women to work together to achieve collective aims. They work tirelessly to build strong organizations, often in the face of huge challenges and considerable personal cost. Some, such as Mallamma Yalwar, the founder of SABALA, are driven by a sense of outrage at the injustices women in their societies faced (e.g. the *Devadasi* system in India whereby low caste girls were taken as "wives" by temple priests or as concubines by higher caste men in the community). Others have emerged as natural leaders in their communities. For example, Grace Engole, Chair of the Turkana Women's Group in Kenya, spoke of attending a political rally in Nakuru and managing to get close to President Mwai Kibaki to tell him that Turkana women needed help with marketing. Soon afterwards officials from the Kenya Export Promotion Council visited Lodwar to assess the situation, and then requested donor support to train women on export requirements and new product development. Merling Preza, General Manager of PRODECOOP, is another example of an inspirational and effective leader. Merling has been the driving force behind efforts to advance the position of women in the 2,400 member cooperative; that commitment is now institutionalized in the strategic goals and in the structure of the organization, with a central Gender Unit and Gender Commissions in each of the 39 primary societies.



Sadhna

A Women's Handicraft Enterprise

Hand crafted garments for men & women Applique & patchwork items



Unfortunately, there is often only a small pool of women with the confidence, skills and time to take on leadership roles and this poses a threat to some of the groups. As such, some organizations (e.g. Sadhna in India) have the development of leadership potential as a key aim.

Clear Vision and Mission with Social as well as Economic Goals

Closely linked to leadership is the importance of having a clear vision and mission guiding decision-making within collective enterprises, especially in relation to gender equity. Most of the case study collective enterprises were formed with an aim to contribute to women's economic empowerment; the simple fact that most were women-only groups speaks to this purpose. Beyond targeting women producers and being geared to their needs (e.g. a need to combine paid and domestic work; restrictions on mobility; low literacy levels), the majority of organizations also provide non-commercial services, activities and resources for members and their communities that aim to address their broader socio-economic concerns (e.g. savings and credit schemes; classes in health, nutrition and literacy; self-esteem workshops). Many specifically target vulnerable and marginalized women who would find it difficult to find employment elsewhere. At the Mombasa workshop, representatives from Fair-Trade Forum – India pointed out that giving women some degree of financial autonomy will not necessarily alter traditional gender roles or norms within their communities, and that there is a need to support women to develop the capabilities and confidence to analyze, organize and mobilize for social change. Including socio-political objectives in the guiding mission of enterprises was therefore also considered important.

Box 4.1 Sadhna: An Enterprise with a Social Mission

Sadhna is a women's handicraft enterprise initiated by the Indian NGO Seva Mandir to provide an alternative means of livelihood and income for disadvantaged rural, tribal and urban women in Rajasthan, India. Starting with one small group of 15 women, the Sadhna "family" has grown to nearly 700 women organized in 49 self-help groups. The women artisans are owners of Sadhna. They are represented at all decision-making levels and are shareholders of the annual surplus, generated by Sadhna, which is distributed as a dividend. Women also have access to social security via the organization (government-run pension schemes and medical and life insurance)⁴⁷.

47 Source: Sadhna website www.sadhna.org and leaflets.



For mixed groups, such as PRODECOOP in Nicaragua, having a strong commitment to gender equality and equity at both central and community levels has been critical in bringing about change for women members (see box 4.2 for details). This has grown out of the over-riding cooperative and Fair Trade values of PRODECOOP and its promotion of a “solidarity economy” as a viable alternative to the dominant neoliberal economic model (see chapter 5 for more details). Another example of a mixed cooperative that has successfully increased women’s participation is the Gumutindo Coffee Cooperative in Uganda, which was invited to send a representative to the Mombasa Workshop. Although it had not been a formal partner in the Women Organizing for Fair Trade project, it was felt that much could be learned from the cooperative’s experience. Florence Wakooba told workshop participants that although the majority of Gumutindo’s 7,000 members are men, it is recognized that women do most of the work on coffee and so an explicit gender policy has been introduced which stipulates that 50 per cent of the seats on its Board are reserved for women, as well as three out of the seven seats on each primary society’s committee. It has also dedicated resources to women’s empowerment activities.⁴⁸ Women farmers report that their lives have changed for the better as a result of having greater recognition from men, although there is much more to be done. One benefit that they reported was that when women officials return after meetings, they are more likely than men to tell everyone what has been going on and what was decided.

48 Gumutindo has worked closely on its gender policy and strategy development with its producer development adviser and Fairtrade buyer, Twin and Twin Trading, London, UK.

A commitment to Fair Trade principles⁴⁹ has also been important in shaping the policies and activities of the case study enterprises in Nepal (WSDO and ACP), as well as the intermediary FTOs that other groups sell through (NAWOU in Uganda; Undugu Fair Trade Company and Machakos Cooperative Union in Kenya; Kwanza Collection in Tanzania; Sasha in India). Organizations wishing to become WFTO members have to commit to the Fair Trade principles and demonstrate that these are reflected in their internal values and mission statements, policies and practice.⁵⁰

Box 4.2 Embedding Gender Equality into a Mixed Collective Enterprise: The Example of PRODECOOP in Nicaragua

PRODECOOP has placed “the family” as central to its mission and objectives, in recognition that it is not men or women that produce coffee, but families. One of its six core objectives is: “To contribute to improvements in gender equality and equity and in the socio-economic position of women.”⁵¹ It adopted a Gender Policy in 2008 which identifies a range of practical and strategic affirmative actions for achieving greater equality, including gender sensitization with community members, income generation programmes and credit, access to health and education services, and preventative action against domestic violence. It has removed the requirement that members own land, to make it easier for women to become members, and has promoted women’s participation in management, decision-making and leadership of the organization.

Good Governance with Commitment to Democratic Principles

Several participants in the research emphasized the importance of good governance practices based on democratic principles for building trust, accountability and equity in collective enterprises. For example, the artisans who formed Ya Munts’i B’ ehña in Mexico had previously been exploited by community leaders who acted as intermediaries with buyers, and so now place great emphasis on democratic structures with full accountability to members. With the support of a local NGO, they have developed a sophisticated organizational structure with separate committees for finance and banking, vigilance, quality control, and packing and delivery. An example of a different form of collective enterprise run on democratic principles comes from Sadhna in India, with women artisans represented at all decision-making levels of the organization and annual surpluses from the business distributed amongst the artisans and employees as a dividend.

49 See Appendix 8.

50 The WFTO application form states: “Fair Trade Organizations implement the Fair Trade principles by concrete actions that guarantee transparency, proper working conditions, fair price, Fair Trade relationships, gender equity, good working conditions, no forced labor or exploitive conditions for children, non-discrimination, freedom of association, empowerment of disadvantaged producers, sound environmental practices and promotion of Fair Trade.”

51 As stated on the PRODECOOP website: http://www.prodecoop.com/index.php?option=com_content&task=view&id=98&Itemid=142.

That women's groups are self-governing at the community level was deemed important by many participants in the research. Women who organize themselves are perceived to be more likely to be active and vocal in their groups and communities than women who receive orders on an individual basis. Furthermore, the self-organizing group is much more than a production unit – it has a social purpose, as vouched for in the many stories of vulnerable women (women who have been abandoned, divorced, abused, widowed and left to care for children on their own) who have found safety and security in the group.⁵² A sense of ownership and belonging also fosters a desire to work to a high standard, resulting in better quality products and a higher economic return.

Commitment of Group Members

For many women, especially those with dependents, it is a challenge to make time for group activities; in some cases it also takes considerable courage to be part of an organization, particularly where gender norms place limits on women's mobility and participation in public spaces. In spite of this, many women producers and FTO representatives felt that an important ingredient for success is to encourage commitment by group members, being strict about meeting attendance, keeping minutes and group records. Holding meetings regularly was also identified as important for maintaining group cohesion.

Formalization of Groups⁵³

Through the research process, clarity has emerged about the relative differences between very loosely coordinated, informal groups and those that are more formal in their organization and hold regular meetings, elect officers and keep records. The perceived advantages of more formal women's groups are improved production, quality control and market access as well as enjoyment in being together, solving problems when they arise and providing mutual support and protection in difficult times. Being part of a more organized group provides women with recognition, they feel less isolated and their sense of self-worth improves. Registration with the relevant authorities, although not *necessary* for making groups more formal, can increase access to resources and services. In Kenya, for example, registration with the Ministry of Gender has given the Baraka Women's Group access to extension services from the Ministry of Agriculture. In Zanzibar, Tanzania, registration as a cooperative has enabled the Tusife Moyo Group to make contact with the Marine Sciences Department of the University of Dar-es-Salaam, which now provides ongoing technical support on seaweed production and use (in soapmaking). The Fair Trade networks, which were partners in the study, also believe that

52 Many such stories can be found in the personal testimonies of women producers contained in the photo journals from India and Nepal, prepared as part of the research project.

53 Importantly, formalization does NOT imply becoming part of the formal economy.



Preparing solar drying frames for a new batch of fruit. Patience Pays Initiative Group, Uganda. Photo: P. Luboyo 2011

registration of self-organizing groups is one way in which the attention of policymakers may be drawn to the informal economy, as it would facilitate collection of data which itself would increase understanding of the informal economy. Referring to WIEGO's approach to economic empowerment,⁵⁴ formalization can therefore be said to create "validity" for the groups, increase their "visibility" and enable women members to have their "voices" heard.

Success Factors Related to Commercial Performance

For all collective enterprises, commercial success is essential for the broader goals of the organization to be achieved. In this section we look at factors considered by the research participants to be critical for strong commercial performance, and which are therefore indirectly linked to outcomes for women's economic empowerment.

54 For a discussion of this, see http://wiego.org/sites/wiego.org/files/resources/files/Chen_Economic%20Empowerment_WIEGO_Position.pdf.

Market Linkages

Collective enterprises need good links to markets in order to prosper. The case study enterprises are all part of Fair Trade markets and for most their links to these markets (usually via FTOs) have been critical to their relative commercial success. These are markets which recognize and value the intrinsic “social” qualities of products (e.g. based on who they are made by and under what social and environmental conditions and for whose benefit) and are willing to incorporate the cost of fair trading practices into pricing structures, thereby providing opportunities for collective enterprises with a social mission to sell their goods and make decent returns.

However, dependency on Fair Trade markets is also a substantial risk factor, as has been demonstrated since the onset of global economic recession in 2007/08. Since that time, many of the enterprises have seen demand for their goods fall dramatically. Fair Trade producers are also vulnerable to changing market tastes; for instance, the market for the palm leaf baskets made by the Turkana Women’s Group in Kenya is in steep decline. In this context it has been important for enterprises to develop diversified marketing strategies, including selling on both local and international markets, opening their own retail outlets, developing online sales platforms, and establishing brands for local markets. Crucially, what emerged from the case studies are examples of how, when women are able to generate income and save, they diversify into alternative sources of income, as discussed in the next section.

Developing markets outside of Fair Trade is a strategy pursued by some organizations. For example, Undugu Fair Trade in Kenya is trying to help the Baraka Women’s Group set up contracts with local supermarkets for their mangoes. However, entering conventional mainstream markets is not necessarily feasible for some enterprises, given fierce competition with conventional business in many sectors (e.g. in the embroidery sector in India). A better alternative may be targeting the wider spectrum of ethical and high value markets, beyond Fair Trade. PRODECOOP, for instance, targeted speciality coffee markets as a way to survive liberalization and the dismantling of public services in the Nicaraguan coffee sector, first focusing on organic and Fairtrade markets and more recently on high quality coffee in general. This strategy has been successful in a context of steady growth in the speciality markets since the 1990s,⁵⁵ and, with a range of buyers in the USA and Europe, has helped prevent PRODECOOP becoming over-reliant on any one market.

55 PRODECOOP has won the “Cup of Excellence” international award every year since its inception in 2002, which is testament to the quality of coffee it produces and helps attract speciality coffee buyers.

Another interesting example is Ya Munts'i B'ehña in Mexico. Since its initiation the organization has had a close relationship with The Body Shop International, a UK-based company now owned by the global cosmetics giant L'Oreal. The Body Shop (through its Community Trade Programme) has supported Ya Munts'i B'ehña throughout its development and has even adapted its buying practices in order to better serve the enterprise, for example by giving annual estimates on forecasted volumes and switching to bigger, less frequent orders, which allows the cooperative to plan production. This long-term commitment from a large, established market player has clearly been central to Ya Munts'i B'ehña's commercial (and social) achievements.⁵⁶ However, being dependent on one buyer will always represent a business risk, which is one reason why the organization is trying to develop a local market for its products.

Value Addition and Product Diversification

Adding value to products through processing, packaging and/or brand development has been used successfully by several of the enterprises to increase revenues and develop new markets. For example, the 30 members of Tusife Moyo Women's Cooperative in Zanzibar struggled to sell their soap until they were shown how to add scent to it – since doing so they have steadily increased their sales to around 1,470 Euros per month, and have even opened their own roadside stall with a large, colourful signboard to attract the attention of passing tourists.⁵⁷ Similarly, the introduction of simple solar dryers to producers in Uganda meant that fruit previously left to rot could be converted into saleable produce. Meanwhile, other enterprises have diversified into new products in order to grow their businesses and reduce risks (or to counter reduced demand for their original product, as is the case for Turkana Women's Group). For example, women groups in Africa have diversified into mushroom farming (Kazinga Basket Makers, Uganda), fishing (Turkana Women's Group, Kenya), pig breeding (Wawata Njombe, Tanzania) and fuel (Tusife Moyo, Tanzania). In Nicaragua, PRODECOOP has diversified into honey and eco-tourism in order to reduce dependence on coffee exports. The latter involves members providing guest-house accommodation to tourists, which has given women opportunities to earn income while working at home, with important side effects:

56 For example, women receive almost US \$2 per scrub from their direct trade with The Body Shop International, compared to US \$0.60 on the local market. As stated in the Mexican case study report "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving Their Own History." 2011. Mexico: Ya Munts'i B'ehña y Ñepi Behña: 15.

57 This information was provided by Tatu Juma, Chair of Tusife Moyo Cooperative, at the workshop to introduce the WIEGO project in Dar-es-Salaam in October 2009.

My work wasn't recognised much because it is always the routine for women to work in the house... But now I feel happy because women's work is noticed and it's valued by men. And I'm very happy because before my family didn't receive any income from my work, I worked and worked without salary... and now it's noticed that with my work comes income. It's helped a lot with my family because with this money I have studied a bit and others have studied. Without the organization, none of this would have been possible.

Lucía Acuña, Cooperative Nuevo Amanecer, PRODECOOP, Nicaragua⁵⁸

Quality Control Systems

Internal control systems are needed within all enterprises, no matter what scale, to ensure products meet high standards for quality and consistency, and this came through strongly in the case studies. Even though quality control can be a source of tension with members if it leads to goods being rejected (as has been experienced by Ya Munts'i B' ehña), it is essential for maintaining good relationships with buyers and for developing new markets. Where quality is variable and products lack consistency, producers have struggled to succeed commercially (as discussed in the next chapter).

58 Source: Video documentary put together by PRODECOOP for the WIEGO research project.

Local and Global Linkages

Table 4.2 indicates that women producers in most of the case study enterprises have received considerable support from external organizations and this has been critical in providing them with the capacity, confidence and opportunities to organize for trade. Below, the benefits associated with local and global linkages are grouped into three areas: skills development and strengthening livelihoods; links to markets; and sharing experiences and building alliances.

Skills Development and Strengthening Livelihoods

Intermediary FTOs (exporting and importing companies) and Fair Trade networks have been important for the case study enterprises, through their ongoing provision of information and training on markets, buyers, product development and design, costing and pricing, and organizational development. This capacity building has been critical in enabling women producers to participate in trade, especially in terms of meeting the demanding standards of export markets.

Several of the case study organizations have also received valuable support from other (non-Fair Trade) external sources which have a solidarity, development or philanthropic agenda. For example, PRODECOOP has used solidarity and donor funding to develop its gender strategy, as well as to fund various other social programmes, while Baraka Women's Group has received technical support from Technoserve.⁵⁹ The L'Oreal Foundation has funded a livelihoods diversification programme for Ya Munts'i B'ehña members, with a particular emphasis on environmental protection, through which women have been supported to purchase chickens and sheep, produce organic fertilizers and grow vegetable gardens, and construct water tanks and improved wood-burning stoves.

Finally, support from local authorities has played a role for several organizations. For example, Ya Munts'i B'ehña were first allowed by local authorities to use a local school as premises, and were then given land on which to build new premises (with funding from the L'Oreal Foundation), including storage and packing facilities, office and computers, and a space for assemblies, meetings and training sessions. In Kenya the Turkana Women's Group has received support from the Export Promotion Council to link to donors and to develop trade links.

59 According to Technoserve's website, it is an NGO working to create business solutions to rural poverty and thereby transform lives. It works in agriculture, agribusiness, alternative energy, tourism and other sectors. See <http://www.technoserve.org/>.

Links to Markets

Many of the collective enterprises in the study look to FTOs for the majority of their orders, although some have been successful in developing solid links to domestic markets. Other case study enterprises rely heavily on linkages to FTOs in importing countries for finding end markets. Ethical businesses also play a key role: for example, participation in the Body Shop's Community Trade Programme, which is run on Fair Trade principles, has been critical to the success of Ya Munts'i B'ehña; Sadhna sales to the ethical retailer Fabindia, with its chain of more than 130 shops across India, have been just as important for the organization's development and growth. The capacity, commitment and leadership of these Fair Trade and ethical businesses, and their mission and intent, have a significant influence on outcomes for women's collective enterprises. If the intent were solely business, the relationship would be driven by orders and would be weaker than if the intent were transformation and development through enterprise, which is the case with FTOs.

The Fair Trade country level networks also play an important support role in marketing. They organize and participate in trade fairs and exhibitions to help members link to buyers and to develop demand for Fair Trade goods. This includes sending representatives to large trade fairs in Europe, which would otherwise be completely out of reach for most collective enterprises. Several are becoming more focused on developing domestic markets. Fair Trade Forum – India, for instance, organizes an annual Fair Trade Fortnight to promote Fair Trade and sustainable living. Events take place across the country that combine campaigning, craft displays, sale of Fair Trade products, awareness raising programmes in university campuses and consumer-producer "meets." Celebrities, Fair Trade producers, students, academics and consumers all take part in the various events.⁶⁰

60 Source: FTF-I website.

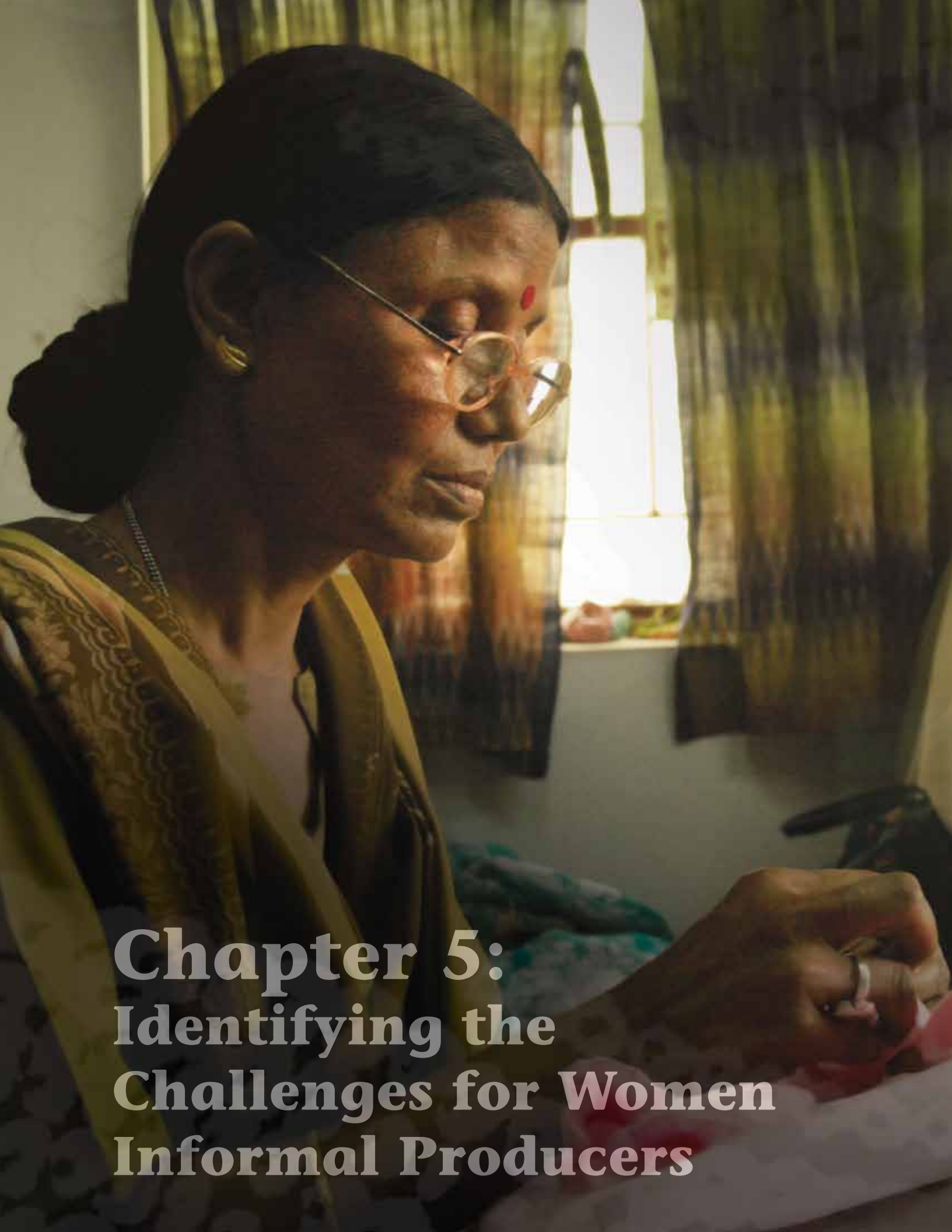
Sharing Experiences and Building Alliances

The case study enterprises in Asia and East Africa are linked to the WFTO and its affiliated national and regional networks, either directly as members or via the FTOs that support them.⁶¹ At a time of global recession, when many in-country FTOs are finding it tough to maintain order levels to producers, the Fair Trade networks and the WFTO provide links and connections, mutual assistance and support. The country-level networks are structures made up of producing and trading organizations which are connected by their common interest in, and practice of, Fair Trade. The relationships developed through the networks provide peer support and problem solving advice to member organizations, and there are regular opportunities for meetings where challenges can be discussed, information shared and training provided. Some networks are active in fundraising and alliance building to provide training support to members through multi-year programmes of workshops. The networks also provide a platform for advocacy in favour of women producers and informal workers, with some particularly active in this domain. For example, the Fair Trade Group Nepal has always sought to develop constructive collaboration among Nepalese Fair Trade organizations to influence policymakers, organizing regular seminars to which government officials, policymakers and ambassadors are invited to discuss wider trade-related issues.

In Latin America the case study organizations have also built alliances with other collective enterprises, with the aim of achieving commercial, social and political goals. Ya Munts'i B' ehña has formed a network with other indigenous women producer organizations in Mexico to create the brand *Corazon Verde* (Green Heart) for selling Fair Trade products in the domestic market. But leading the way is PRODECOOP, with multiple local, regional and global connections. At a national level it is part of CafeNica, an alliance of 12 cooperatives and unions in Nicaragua which have been working together to promote sustainable production of coffee, to market their coffee, as well as to build political strength in public and private spaces. Within CafeNica there is a women's movement, *Movimiento de Mujeres Flores del Café*, formed with the aim of advancing the position of women within the member organizations. The CafeNica network has also been engaging with the ALBA initiative (the Bolivarian Alternative for the People of Our America) – a group of Latin American countries which are cooperating on various issues – to institutionalize regional trade on Fair Trade terms. Finally, PRODECOOP is an active member of CLAC,⁶² the Latin American Network of Fair Trade Cooperatives, which is in turn a member of Fairtrade International. Through these various networks and alliances, PRODECOOP is better placed to achieve both commercial goals and social and political objectives, including its aim to contribute to women's economic empowerment.

61 To give an example, Wawata Njombe in Tanzania is linked to the FTO Kwanza Collection which is a member of TANFAT, which in turn is a member of COFTA, the regional network for FTOs in Africa.

62 The General Manager of PRODECOOP, Merling Preza, is the current President of CLAC, as well as being a Board member of the Fairtrade Foundation in the UK and Guardian President of the UK-based FTO Twin.



**Chapter 5:
Identifying the
Challenges for Women
Informal Producers**

The action research process was designed to enable women producers to articulate their needs and concerns and to facilitate a process of reflection and learning about the links between the macro-economic policy environment and the micro level at which groups operate. An underlying aim was to strengthen capabilities among women producers, their organizations and the Fair Trade movement more broadly, to influence policy at local, national and international levels. In this chapter we discuss the issues which emerged as key challenges for women producers and their organizations, as identified at different points in the research process and at various levels of abstraction. For instance, needs assessments undertaken by local facilitators with women producers brought out the practical challenges faced at individual and group levels (which in turn helped with the development of training to strengthen their enterprises). Policy workshops organized by the lead research partners in each country, which were attended by representatives from the case study enterprises and other relevant organizations, enabled further elicitation of group challenges as well as meso- and macro-level challenges related to Fair Trade institutions and the national socio-cultural, economic and policy context. Further contextual analysis was carried out during the writing of the country case study reports, either by the lead organizations themselves or by commissioned researchers. Finally, the workshop in Mombasa presented an opportunity for cross-country analysis, culminating in the joint development of an "agenda for change," as discussed in the next chapter.

There were some marked differences between regions in the way challenges (and solutions) were perceived and presented. In Africa the analysis was mainly focused on the practical needs of self-employed women producers and what governments should do to support them. The research partners in Latin America situated their challenges firmly in the contexts of globalization and neoliberal economic policies, emphasizing the need to develop alternative economic models which put people and the planet first. Similar issues were raised in Asia, but with a focus on the need to develop stronger national Fair Trade movements to develop local markets and advocate for domestic policy change in favour of informal workers. As well as being related to the type of organization that led the country level analysis (i.e. producer cooperative or Fair Trade Network) and their level of engagement with macro-economic and international issues, this is a reflection of the different historical and political contexts of each organization.

In the following sections, the identified challenges are categorized into four areas:

1. Needs and Concerns of Women Informal Producers
2. Internal Challenges Experienced by Women's Collective Enterprises
3. External Challenges Related to National and International Contexts for Trade
4. Challenges for the Fair Trade Movement

Needs and Concerns of Women Informal Producers

Most of the women producers come from regions characterized by high levels of poverty, with poor living conditions, malnutrition, sickness, illiteracy, child labour, limited employment opportunities and low wages all being common. Access to public services and social protection is highly variable and often minimal. Women face additional problems associated with widespread gender discrimination and social, cultural and religious norms and practices which negatively impact on women and present barriers to their participation in economic and political spheres. Discrimination on the basis of ethnicity is also an issue for some (e.g. the indigenous women of Ya Munts'i B'ehña). Within this general context, women producers and their organizations identified some priority issues and needs during the research process. Box 5.1 provides an example from India.

Box 5.1 Assessing the Needs of Women Informal Producer in India

Focus groups were conducted with 15 village-level groups of women producers from the Textile Artisan Association, Sabala & Sadhna. Findings were categorized into 10 major themes of particular concern for women, separating individual from organizational needs. **At the individual level** the major concerns were financial security, concerns about retirement, health, and emotional support of the individuals. These were articulated in the form of the following needs:

Social security concerns – access to services to help women build assets and achieve long-term goals, to plan for funding needs across their lifecycle – loans, savings, indemnity (insurance cover), pensions, etc.

Financial concerns – programmes to help women and their families better cope with unanticipated financial burdens associated with a medical emergency through affordable health insurances

Vocational concerns – access to vocational training and access to educational institutions that offer core knowledge, skills and competencies

Physical health concerns – access to affordable and quality health services that is essential for women's good health and their psychological, reproductive, and nutritional well-being

Source: India Needs Assessment summary prepared by Debashish Choudhuri, Project Coordinator in India

Some of the needs identified in, for example, basket weaving villages in Njombe district, Tanzania, were of a very practical nature.

Our first problem is harvesting the reeds. Our feet get very scratched. If we could get gumboots that would be very helpful... The reeds are far away and difficult to carry. A bicycle would help.

Rita Mwigwa, Wawata Njombe, Tanzania⁶³

Some of us do not have kerosene lamps. The only light at night is from the fire. With lanterns we could see clearly and be able to continue weaving.

Nelma Mngango, Wawate Njombe, Tanzania

Concerns about **financial security** were raised repeatedly. As reported in chapter 4, many of the case study enterprises have experienced a decline in sales and this is affecting the quantity and regularity of women's income.

Nowadays sometimes I worry about not getting orders. If we have work, our income rises. Three or four years ago we had work for eight or nine months of the year. August and September were always lean months and October was light. For the last two years, there has been less work – perhaps only enough for six months. When we don't have orders, we do work for the local market and we create new samples. We decide together what we are going to do.

Geeta Sinha, Chair of Self Help Handicrafts Society, Kolkata, India⁶⁴

63 Source: Conversations with Carol Wills, February 2009.

64 Source: Stated during WIEGO project preparatory meeting, November 2008.



Furthermore, in Nepal it was noted that prices paid by Fair Trade buyers have not increased in line with increases in production costs, impacting the prices producers receive, while living costs in Nepal have risen sharply. In India payment rates for home-based women artisans are often still not in line with formal employment in factories or, indeed, with government welfare schemes.

Government incentive is Rs. 100 a day for 100 days of minimum employment. They have set high wage rate for these 100 days – because of that, people are not available to take up the craft work in the villages. This has become a major issue of concern because people now not willing to work for a lower rate. Welfare schemes: governments everywhere come up with action plans and specify ministries – but they don't identify informal groups to link up with so we need to link up with government about this to access these schemes. Once registered, an artisan should be able to access loans through a bank but for that you need ID. How do you get that?

Leela Vijayvergia, MD Sadhna, Udaipur, India at the WIEGO Mombasa Workshop⁶⁵

⁶⁵ Source: "MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report." Mombasa, Kenya, 19-22 May 2011: 50.

Broader contextual changes are also having a negative effect on household income, such as a fall in remittances from family members overseas⁶⁶ and decreasing agricultural productivity as a result of soil depletion and climate change. The latter was reported to be a critical issue for households in Mexico and Nicaragua, with women from Ya Munts'i B'ehña noting changes in precipitation, prolonged droughts and frosts, and more extreme temperatures leading to the loss of crops. Mesoamerica is one of the areas expected to be most affected by changes in temperatures and precipitation; in Nicaragua, for instance, a recent report predicted that many areas of coffee production will disappear within 15 years. Mitigation strategies, including diversification into new (climate-appropriate) livelihood activities, are therefore a priority.

Women producers in all countries expressed a need for better **access to productive resources** in order to strengthen their livelihoods. In East Africa they called for agricultural inputs such as seeds and fertilizers and raw materials for handicraft production, as well as low interest credit. Many of these women rely on informal rotating funds (merry-go-rounds) for working capital, as banks and formal savings and credit schemes typically operate high interest rates, but this does not provide much scope for investment. In India and Nepal women also have difficulties procuring raw materials for their textile production. Credit was also an issue, but for a different reason – in Nepal it was reported that although microcredit schemes have provided women with money and some have set up small enterprises, husbands often take over when businesses start to turn a profit, or simply take the money. Meanwhile, securing land (through state provisioning) is difficult for women in Nicaragua, as they are still not seen as producers despite high levels of involvement in agricultural production; when they are given land it is often smaller and of poorer quality than that given to men. Access to land and also water are key challenges for the women in Mexico, as they are located in a semi-desert area with little irrigation and have only small plots of land. This, added to the effects of climate change and soil degradation, as well as higher food prices, reduced remittances and a lack of markets, has led to food insecurity for many households.

Improved **public services and infrastructure and social security** were called for by women in most countries. In Kenya, for example, most women do not have ready access to health care and affordable medicines, while pensions and other kinds of social protection remain completely out of reach. Women also said they need better education in order to more easily find work, as well as labour-saving infrastructure such as communal water tanks. In Mexico access to services and infrastructure is comparatively better, but still only half of households in the region have piped water and the more remote communities have little access to communications services and education facilities. In several countries (e.g. Tanzania, Nepal and India) women called for governments to extend social security measures to informal workers (insurance, pensions, etc.).

⁶⁶ As a result of the global economic recession, remittances fell by 64 per cent from 2008 to 2010 in the Hidalgo region of Mexico where Ya Munts'i B'ehña is located. As cited in the Mexico case study report "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011: 7.

A key challenge for many women producers is **balancing paid work with care for dependants and other domestic responsibilities**. Although attitudes are changing among men as a result of women's increased contributions to household income, the gender division of labour in households is typically unchanged and so, with a few exceptions, women still do significantly more reproductive work than men (i.e. caring for children and other dependents, preparation of food, washing and cleaning, etc.). In Kenya, for example, women believe themselves to be more equal and empowered than before but their domestic chores still take considerable time and energy away from their income-generating pursuits, including hours spent gathering firewood and collecting water. For female-headed households, which represent a large proportion of the women in some of the collective enterprises (e.g. in Mexico, Nicaragua, India and Nepal), achieving this balance between paid and unpaid work is even more challenging.

Although there is considerable variation between countries, the need for greater **equality and equity in intra-household gender relations** came through strongly across all countries. For example, women members of the Héroes y Mártires de Cantagallo cooperative in Nicaragua (a member of PRODECOOP) noted that although they have gained greater access to and control over resources such as land, equipment and capital, many still do not have full control of the proceeds of their labour, such as use of income for education and household purchases. Similarly, women from the Mathima Women's Group in Kenya reported that they must get permission from their husbands before they use the money they make from selling baskets, even if it is to pay for school fees or to cater to household needs.

Finally, **access to information and awareness-raising on rights and opportunities** is a need which came up repeatedly in the case studies. All seven countries have high level commitment to gender equality – it is embedded in national constitutions and law and governments have increasingly adopted policies aimed at advancing the economic and social position of women. There is now widespread recognition (at least officially) that women's work is economically significant and that if you give women better access to knowledge, skills, resources, opportunities and power, this will benefit the country as a whole. As it says on the Kenya Government's Women Enterprise Fund website: *"Empower a Woman. Empower a Family. Empower a Nation."*⁶⁷ But the research participants noted that all governments have failed to successfully implement legislation and policies, partly because of social, cultural and religious norms and practices which still hold sway over women's lives, but also because information has not been disseminated to women in effective ways. As such, many women are completely ignorant of their rights in law (for example to land and property ownership) and of the steps taken by their governments to address gender inequality. In addition, women producers are unaware of economic policies and government programmes that are intended to benefit them. A lack of information on markets that might be accessible to women producers (outside the Fair Trade networks) was also raised as an issue in Kenya, Uganda and Tanzania.

67 Available at <http://www.gender.go.ke/index.php/Women-Enterprise-Fund-WEF/intro-women-enterprise-fund-wef.html>.



Ya'Muntsi - Indigenous women use age-old techniques to extract the fibre of the maguey cactus

Internal Challenges Experienced by Women's Collective Enterprises

Groups everywhere still have many challenges. Here we focus on the internal challenges associated with group functioning and dynamics and with commercial performance. Later we look at challenges related to the external context of trade in which women's enterprises are located.

Challenges Related to Group Functioning and Dynamics

Management of groups has been a challenge for many of the case study enterprises, especially as they grow. Elected leaders need training in management and group dynamics, as well as other more technical skills related to the commercial activities of the group (e.g. keeping records, preparing budgets, procuring raw materials, organizing delivery, price-setting and negotiation with buyers). For example, they need to be able to avoid conflict when orders decrease and work has to be shared between many women. Despite there being many outstanding women leaders who participated in the research, many need help developing their leadership skills so that they can better serve their groups, associations and communities. It is also important that experienced leaders take time to share their knowledge and skills with

other members in order to ensure there is adequate capacity to lead the organization in future. In larger organizations it is usually necessary to hire employees with the appropriate skills to undertake managerial and technical functions, as Ya Munts'i B'ehña and PRODECOOP have done, but there will always be a need to nurture leaders from within the membership itself, especially for community-level groups. For mixed groups there is a need to find ways to further increase **women's participation in membership and leadership**. In PRODECOOP, for instance, women still represent only a quarter of its members in spite of the proactive policies that the organization has introduced.

Several groups in East Africa commented that they needed better **communication and transparency** to foster trust in their organizations. For example, Ugandan basket weaver leaders are responsible for collecting baskets and delivering them to NAWOU, and they then return to the village and distribute the payments. As a result of the lack of proper record keeping systems, members reported not being sure if what they receive is the amount that was paid.⁶⁸ Another aspect of this problem is a lack of access to **information technology** by members of many grassroots groups: no Internet, telephone, or even something as simple as a newspaper.

Challenges Related to Commercial Performance

A key finding to emerge from the research was that to make groups stronger, **regular orders** are needed. Trade is the glue which holds groups together and without regular orders some groups may fall apart – as well as not generating sufficient income to cover their costs of production, generate a margin which allows for savings and investment, and support themselves and their members, they lose their main reason for being. As indicated in chapter 4, the current trading environment is difficult – the global economic downturn has meant that traditional Fair Trade export markets, especially for handicrafts and textile products, are in decline. This is a major challenge for most of the case study enterprises, given heavy dependence on Fair Trade markets, but some are more proactive than others in seeking out alternative markets and diversifying their sources of income, as reported in chapter 4.

Many groups reported difficulties in achieving a **common understanding and interpretation of market ideas** (in terms of quality, colour, shapes, sizes, quantity and specifications). In basket production, for example, the same size and colour combination is required to meet the specifications of an export order but this is not always well understood, especially where group members are scattered over a wide area and do not often come together to work. They often have no understanding of what would constitute a “standard” in terms such as the use of colour codes (like the Pantone system where there is a need to match up to internationally

68 Source: Josephine Mukasa of NAWOU, quoted in “MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report.” Mombasa, Kenya, 19-22 May 2011: 38.

defined colour gradients) and technical specifications required by export markets (e.g. minimum humidity, regulation of chemicals and dyes, pesticide residues, colour fastness, variation in size and design, etc.). As a result, many women expressed a need for further improvement of production methods and workshop re-organization for more efficient production and quality control. Women in a number of countries (e.g. Kenya, Tanzania) also asked for more **training on product development, design and use of colour**. For example, Tusife Moyo in Zanzibar has difficulties in maintaining market share locally in the face of stiff competition, and in maintaining the interest of export markets, so it would like help innovating with new shapes, recipes and packaging. It also needs training in using waste soap shavings for making shampoo, liquid soap and other household products.

External Challenges Related to National and International Contexts for Trade

National Contexts for Trade

Participants in the research detailed a range of national contextual factors which make it more difficult for women informal producers to engage successfully in trade. Many are a reflection of low levels of economic development in the case study countries, including poor infrastructure and a lack of institutions to regulate and promote trade (see below). Others are more specific to structural biases which disadvantage those working in the informal economy. In spite of the fact that the informal economy is seen to be of growing importance, research participants from all countries reported that **policymakers continue to fail to take into account the needs of informal workers and their enterprises**. Informal workers are generally characterized as being unregistered, unregulated and beyond the protection of the law. In India, for example, it was reported that some women working in the informal economy, in particular those who are home-based workers, are not covered by national labour laws such as the Minimum Wages Act or the Factories Act, nor do they receive statutory welfare measures such as maternity benefits, provident fund, gratuity or unemployment benefits. Women producers are also excluded from business opportunities; Fair Trade producer groups in Nepal, for instance, are not permitted to compete for public procurement tenders. In most countries there is also an **absence of organized and recognized interest groups** such as unions and associations which could help to raise the visibility of women in the informal economy in policymaking circles.

Several of the case study enterprises complained about **unreasonable taxes and duties** charged on Fair Trade products by public authorities – some are official, others a result of corruption. For example, Fair Trade Organizations in Nepal are subject to a 25 per cent tax on profits but also “have to make payments under the table.”⁶⁹ Most participants in the Mombasa workshop commented that they faced similar situations. For instance, Tanzania continues to charge tax and duty on all products sent from Zanzibar to the Mainland and from the Mainland to Zanzibar as if they were independent countries, not part of the East African Common Market let alone one united republic. Corruption in the port of Dar-es-Salaam is so widespread that every basket that is exported is subject to a series of charges (known as royalty fees) as it passes through the port.⁷⁰

According to PRODECOOP, the trading environment for agricultural cooperatives in Nicaragua is very much linked to the wider context of globalization and neoliberal economic policymaking since the 1990s, as described in the next section. In Nicaragua this has led to a **dismantling of state support for agricultural cooperatives** (including an end to procurement of food staples and provision of credit, extension services and transfer of technology) and the emergence of a sector dominated by private agribusiness (including multinationals). Some cooperatives have managed to survive this restructuring, through focusing on export commodities and bringing in trained professionals to provide management, administrative and technical support. These cooperatives are now able to participate in some policymaking circles, but they receive no practical support from the state. There is also a lack of state support for small-scale agricultural production in Mexico. According to Ya Munts’i B’ehña, the Mexican government’s response to rural poverty has been to give poor families conditional cash transfers (through the programme *Oportunidades*) but this has only stimulated consumption rather than supported the creation of sustainable livelihoods.

A **lack of government support for the handicraft sector** was identified as a missed opportunity for artisans in Uganda and Tanzania. Through the East African Community Common Market Protocol, the borders between countries in the region have been opened. However Ugandan and Tanzanian artisans perceive themselves to be at a disadvantage to women in Kenya, where the handicraft sector receives government support. This creates a barrier to reaping the benefits of regional integration.

69 Sunil Chitrakar of Mahaguthi, Nepal, author of the Nepal Contextual Analysis, speaking at the Mombasa Workshop in May 2011.

70 Source: “MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report.” Mombasa, Kenya, 19-22 May 2011: 44.

A **lack of access to fair finance** (i.e., with affordable interest rates and realistic terms for repayment) is a key constraint for many of the collective enterprises. Smaller groups, such as those in East Africa, do not have the necessary collateral to qualify for bank loans; nor do they have the necessary skills to keep records in forms that financial institutions would recognize. For medium and larger-scale groups, the difficulty tends to be accessing finance on affordable terms. This is problematic for organizations such as PRODECOOP, which need large amounts of working capital (especially when commodity prices are high) to be able to pay members for their goods on delivery, as well as needing investment capital to continue to grow.

Inadequate infrastructure was noted as a challenge for enterprises in Kenya, Tanzania, Nicaragua and India, particularly in relation to the poor state of transport systems (access roads, ports, etc.) which make marketing more difficult and costly and can result in goods being spoilt before they reach their destination. In Kenya the dearth of communal storage facilities for horticultural products grown by smallholders was noted. In India, women artisans felt their organizations need better infrastructure to expand and cater to growing needs, such as space for meetings and rest. Problems with national **energy supply** were highlighted in Nepal, with businesses without energy for as many as 16 hours a day, while high **energy costs** were noted as a limiting factor for businesses in Kenya. Likewise, the **increased cost and/or reduced availability of raw materials** is affecting groups in various locations (e.g. cotton in Nepal and India, reeds in Tanzania, sisal in Kenya).

The growing problem of **intellectual property theft** and the consequent proliferation of counterfeits makes marketing artisan products more difficult. For example, members of Wawata Njombe in Tanzania complained that Kenyans are buying Njombe baskets for resale and claiming they are Kenyan in origin, while Kenyans complained of their own products being sold on world markets as coming from other countries (e.g. the *kiondo* bag originated from Kenya but is now patented to Japan).

A challenge for groups working with agricultural crops is the impact **climate change** is likely to have on their core business, given likely changes in supply levels. As such, diversification into new sectors (such as carbon credits and tourism in Nicaragua) is as important for women producers' organizations as it is for the women themselves.

The International Context for Trade

Participants in the research project identified a number of specific ways in which the situation of women informal producers in their countries is affected by the global trading environment. As has been mentioned, the **global financial crisis** and subsequent economic recession has impacted severely on many of the Fair Trade enterprises that took part in the research, through its effect on Fair Trade markets in the Global North. It has also affected women producer households directly via effects on employment and remittances. TANFAT raised the fact that the **adoption of ethical trading by mainstream business** in the North has also made it more difficult for Fair Trade shops to attract consumers. However, several of the research participants drew attention to a more **complex web of linkages between the situation of women informal producers and the dynamics of international production and trade**. As stated by representatives of Fair-Trade Forum – India at the Mombasa workshop:

“The macro-economic policy regimes themselves have to be changed if social justice, human and women’s rights, food sovereignty, gender equality, environmental and resource protection are to be made guiding principles for international trade.”

Malikarjuna lytha and Sujata Goswami, Fair-Trade Forum – India⁷¹

And by Gloria Carmona, Comaletzin at a workshop in 2011 organized by Ya Munts’i B’ehña:

“The neoliberal model that is being applied in Mexico, and in the majority of the world, operates through the use of rules in which priority is given to maximizing profits for a few at the cost of poverty for the majority. That’s why there is so much indignation everywhere, because people don’t have enough to eat, they don’t have good work, they don’t have a life with dignity.”

Gloria Carmona, [Comaletzin]⁷²

71 “MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report.” Mombasa, Kenya, 19-22 May 2011:37.

72 As stated during a workshop in March 2011, organized by Ya Munts’i B’ehña to gather information from members about their experiences.

According to Ya Munts'i B'ehña, the prevailing situation of poverty and food insecurity in the Valle del Mezquital, where they are located – and throughout the country in general – has multiple connections with international policies in that it is linked to the global food price crisis which, in their view, has resulted as much from commercial and financial speculation in global markets as from climate change.⁷³

PRODECOOP went further in describing five global trends associated with globalization and neoliberalism which are having a negative effect not just on the members of the cooperative but on people around the world:

1. **Extreme concentration** in global systems of production, distribution, markets and finance, resulting in the disappearance of thousands of businesses, especially medium-scale.
2. **Intense competition** between the huge corporations that dominate these systems, fuelling continuous cost-cutting and ever-decreasing profit margins.
3. A **technological revolution** which is changing the way goods and services are produced, both increasing productivity and reducing the need for human resource input, creating an imbalance between supply and demand and huge unemployment.
4. **Reduction in the size and functions of the state**, not only for ideological reasons but because states have lost the power and capacity to influence economic processes, which are now being regulated by international financial institutions.
5. **Informalization of the economy**, prompted by the need of people marginalized from the formal economy to generate income, and by the tendency for modern businesses to contract out less profitable, higher risk activities to microenterprises.

These five trends are inter-related and self-reinforcing and, according to PRODECOOP, have generated huge inequality and extreme poverty, with wealth, power and decision-making in the hands of a few rich countries while developing countries have little opportunity to design and put into practice economic policies more appropriate for social and economic development in their own context. As a result it is imperative that alternative economic models are pursued which can counter these destructive trends and provide a new type of economy that is focused on communities not individuals, people not profit. PRODECOOP sees Fair Trade and cooperativism as one such model and is forming international alliances with other cooperatives in Latin America and Europe to build better opportunities for producers and consumers alike. Through forming “international cooperative companies” from cooperatives united by common principles and values, it hopes to overcome current challenges to growth (e.g. accessing credit, markets and technology) and establish a viable alternative to the neoliberal model.

73 As stated in the Mexican case study report “The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History.” Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011: 9.



Challenges for the Fair Trade Movement

The research participants identified challenges for the Fair Trade movement at various levels. To begin with, **awareness of the concept and practice of Fair Trade at the grassroots** still remains low in many countries. Women producers also have limited information and understanding of existing Fair Trade market opportunities. Country Fair Trade networks do what they can to improve this situation by inviting producers to their conferences and workshops and to take part in the exhibitions and sales of Fair Trade products that they organize for the general public. However, more needs to be done to ensure women producers are able to participate more actively in the movement.

At the level of FTOs, it was noted that many are **weak on marketing and branding**, and that, in conjunction with the Fair Trade networks (and assisted by Northern FTOs) they should do more to develop domestic markets for Fair Trade products. This was seen as particularly important given contracting export markets. Although some of the networks have tried to raise awareness of Fair Trade locally (e.g. in Nepal and India), **domestic consumers are largely unaware** of the Fair Trade concept.

Raising awareness of, and support for, Fair Trade among governments was also seen as critical. While some **governments recognize Fair Trade** (Kenya for example⁷⁴), a key challenge for others is that governments do not recognize Fair Trade in their policies or procurement practices.

At the level of the networks it was noted that it can be challenging to keep FTO members “thinking the same way,” and sometimes **unhealthy competition** can emerge.

Some country Fair Trade networks and FTOs perceive that having strong links with FTOs in the global North is entirely positive, but in Nepal this is felt to be a heavy, probably unhealthy, **dependence**. Similarly, PRODECOOP warned against taking up all offers of international cooperation.

Finally, in relation to the Fair Trade movement globally, some felt that Fair Trade certification is at risk of becoming a **non-tariff trade barrier**, with the certification, membership and monitoring processes becoming too challenging for some producers. The Fair Trade monitoring and certification systems of both WFTO and Fairtrade International rely heavily on documentation in English, Spanish or French to provide evidence that the Fair Trade principles and Standards have been met. This requires excellent record-keeping and is a barrier for some producers, especially those whose language is indigenous, who are illiterate and whose tradition is aural, or for those whose systems are largely informal.

The challenges summarized in this chapter, as identified during different stages of the action research, are clearly wide-ranging and caused by multiple factors – not all can or will be solved through women organizing for Fair Trade. In the next chapter we turn to the policy recommendations that research partners identified as priorities for action, based on their country contexts and the respective roles of governments and the Fair Trade movement in addressing women’s needs. The country contexts presented in appendices 1-7 further illuminate specific hurdles, while the letters written to national heads of state (appendix 9) provide the top-priority interventions that were identified to address some of the complex challenges faced by working poor women in the informal economy.

74 The Prime Minister of Kenya, the Rt Hon Raila Odinga, agreed to officially open the WFTO Mombasa Conference. Although he was ultimately unable to attend, his speech (presented by the Kenyan Minister for Fisheries Development) assured the WFTO that it had the Kenya Government’s support in its efforts to fulfil its mandate. KEFAT has made linkages with Government Ministries to help it secure the necessary policy framework for its work. The Kenya Government has identified the development of effective enforcement mechanisms on Fair Trade practices as a programme within the wider Government Trade Policy, and key stakeholders have been invited to work with the relevant authorities under the Ministry of Trade. Source: WFTO Mombasa Conference Report 2011: 20.



Chapter 6:

Building an Agenda for Change

Based on the needs and concerns of women informal producers, and the context-based challenges at micro, meso and macro levels, the organizations in each country identified changes that are needed to support women's economic empowerment through trade. Each country came up with a series of "policy asks," formulated first during the national Policy Workshops and then further refined at the Mombasa Workshop in the final stages of the project. Some of these were directed at national governments, while others were recommendations for the Fair Trade Movement. They also worked together to formulate proposals for an "agenda for change" aimed at strengthening the Fair Trade movement's approach to informal workers and gender. This is detailed later in this chapter; first we look at policy recommendations for the governments of the seven countries in which the research took place.

Policy Recommendations for Governments

The policy recommendations for governments were wide-ranging, touching on topics as diverse as tax regimes, social security, energy supply, government programming, collection of statistics and public procurement. Partners in each country wrote their policy recommendations in their own words and in their own way, and each set of recommendations was different. Broadly, however, there was a remarkable degree of consensus, as illustrated in the top five “policy asks” identified by participants in the Mombasa Workshop (see Table 6.1)⁷⁵.

Table 6.1 Top Five Policy Asks For Governments Identified
By Research Partners at the Mombasa Workshop (May 2011)

	Kenya	Tanzania	Uganda	India	Nepal
Recognition and consideration of women informal workers in government statistics/ planning/ programming/ budgets		√	√√	√	
Increased participation of women informal workers in government/at all levels of policymaking/in trade policymaking	√	√		√	
Social security/social protection measures to be extended to informal workers				√	√
Support for women's/ Fair Trade enterprises: tax breaks/incentives for domestic buyers/public procurement/tax-free exports/ access to markets	√	√√		√√	√

⁷⁵ During the Mombasa workshop, participants were invited to write letters to their own Presidents or Prime Ministers listing their top five “policy asks” – see appendix 9 for the full versions of these letters. The research partners in Mexico and Nicaragua were not present at this workshop but held their own events with the WIEGO Trade Programme Director as facilitator. In the case of Ya Muntsi'i B'ehña, this resulted in a number of specific policy recommendations aimed at government, as had been developed by the groups in East Africa and Asia. In contrast, PRODECOOP focused on how to overcome the challenges associated with globalization and neoliberalism, with discussion of its own strategic direction and policy recommendations for the cooperative movement in Nicaragua, rather than directed at governments.

	Kenya	Tanzania	Uganda	India	Nepal
Establishment of a (low interest) fund to provide women's collective enterprises with working capital	√	√			
Improvements in infrastructure: sustainable energy supply/safe roads/storage facilities	√√				√
Development of supply of local inputs through application of appropriate technology					√
Dissemination of information about relevant policies and programmes to women informal producers			√		
Establishment of gender focal points and a government department that will ensure gender is considered in policies			√		
Ensured implementation of policies by assessing impact at grassroots level			√		
Delinking of labour unions from party politics					√

Across all countries participants called for governments to give **more recognition and consideration to women informal workers and the informal economy** in policymaking, planning and budgeting. Women informal workers should not be dismissed as unskilled workers making low quality goods – they are economic agents making a major contribution to each country's economy who, with targeted investment and training, would contribute even more.

To view the informal sector from a welfare perspective alone is unjust to the informal sector. More rights-based policies and interventions are essential. The policies should encourage Fair Trade, community-led economic initiatives and [the] informal economy as these sectors contribute substantially to the economic development of the country and are directly related to self-empowerment of people socially, economically and culturally.

Fair Trade Group Nepal ⁷⁶

Likewise, Ya Munts'i B' ehña of Mexico demanded that the National Congress "recognize artisan work and production as a productive economic activity, and direct more resources towards artisan women, their work and their security,"⁷⁷ while the Tanzanians called for the government "to include women to participate as partners during inception and implementation of policies, programmes and agreements which affect business done by women".⁷⁸ The Indian group felt it was important that the government develop a better understanding of the size and diversity of the informal economy, and women's place within it, through information gathered in national statistics; they also called for the government to appoint a committee comprised of women-headed/women-based enterprises and organizations that could provide input to trade policies. Several others also emphasized the need for governments to enable participation of informal producer representatives in policymaking forums.

Several countries called for governments to look at ways to **provide social protection to informal workers**, either through extending existing schemes (e.g. by assigning informal workers identity cards with which they are able to register with government schemes) or by designing new schemes appropriate to their needs. Some examples were given of schemes that have been provided for informal workers, such as the Government Employees Provident Fund (GEPF) in Tanzania, which now allows informal entrepreneurs to join, and the recently introduced National Health Insurance Scheme in Ghana.

76 Source: Chitrakar, S. "Contextual Analysis: A Case Study of Fair Trade Producers." Kathmandu: Fair Trade Group Nepal, 2011: 26.

77 Source: "The Organizational Experience of Ya Munts'i B' ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B' ehña and Ñepi Behña, 2011: 34.

78 Source: Tanzania group letter to President as developed during Mombasa Workshop activity in May 2011; see appendix 9.

All called for government assistance in **enabling women's Fair Trade enterprises to thrive**, either through helping them to develop markets or through measures aimed at overcoming key constraints. Examples of specific actions that were called for include:

- establishment of a government-run fund through which women informal producers can access low interest loans to use as working and investment capital (Tanzania, Kenya and Mexico)⁷⁹
- incentives for institutions (such as hotels and offices) to buy local and Fair Trade (Nepal)
- removal of royalty fees charged on baskets when exported (Tanzania)
- tax exemptions for all women-based organizations and products made by women using natural raw materials (India)
- help for women producers to access local and overseas markets (Kenya and Mexico), for example through enabling their participation in trade fairs (Tanzania)
- establishment of a government office specifically to provide support for artisans but without charging for services or introducing lots of regulation (Mexico)
- policies that enable public procurement of goods from women producer organizations and Fair Trade enterprises (India and Nepal)
- subsidies for alternative energy (e.g. solar energy) to help enterprises cope with the crisis in energy supply (Nepal)
- improved access roads so that buyers can reach producers (Kenya)

There were also a number of recommendations that related to government **policy and action on gender and women's empowerment** more generally (i.e. not specific to trade). As stated earlier, all countries included in the study have gender equality embedded in government policy, but, according to research partners, most have difficulty implementing gender-related policies, do not act to ensure that women learn about them, and fail to address continuing discrimination against women at every level. The suggestions to policymakers to tackle this include:

79 Although microcredit schemes are now quite widely available in all countries, some women complained that interest rates are too high and that they are sometimes used for political purposes (e.g. in Uganda).

- create gender focal points in government ministries to ensure gender is a mainstream concern (Uganda)
- allocate resources for women's development programmes and for monitoring to ensure funds are used as planned (Tanzania, Mexico)
- incorporate gender analysis into the formulation of budgets and allocation of resources (India)
- publish information on government policies related to women's rights and economic empowerment in local languages and raise awareness among women of these policies and opportunities (Uganda)
- enforce legislation aimed at addressing gender inequality in access to resources, such as allowing women to inherit land and establishing equal ownership of resources between spouses (Kenya)
- create awareness among women and their communities in order to liberate them from social and cultural attitudes, norms and practices, which act as barriers to women's confidence and empowerment (Tanzania)

The Kenyan group also called for **government actions to address women's "time poverty,"** such as access to appropriate, efficient technologies for agricultural production, household chores and food processing, preservation and storage, as well as increased provision of potable water and cheap and reliable energy sources. **Improvements in health and education services** for women (and their communities) were also called for by several countries, in recognition of the linkages between social and economic development. As the Fair Trade Forum – India representatives stated in Mombasa:

A gender perspective to trade policies means overcoming the divide between social and economic policies, to prioritize the rights and the needs of disadvantaged groups, in particular poor women. [This means] giving access to affordable essential services and social security, and enforcing women's and poor people's right to food, health, education and livelihoods.

Malikarjuna lytha, Director of the Fair Trade Forum – India
and Sujata Goswami, Sarba Shanti Ayog⁸⁰

80 Source: "MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report." Mombasa, Kenya, 19-22 May 2011 :37. Sarba Shanti Ayog is a registered society that provides support to the artisans involved in the Sasha network, including members of the Artisans Association.



Policy Recommendations for the Fair Trade Movement

Many of the policy recommendations identified in the country case study reports and during the Mombasa Workshop related to the Fair Trade movement and the practices of Fair Trade networks and organizations. There were three streams to these recommendations: the first related to **building national awareness of Fair Trade at all levels**, from the grassroots through to governments and consumers. It was recommended that more effort and resources be put into this, firstly to ensure producers can engage in the concepts and principles of the Fair Trade movement, and secondly to build domestic markets and government support for Fair Trade. The policy recommendations stress the need for each network to develop their own competencies and expertise, and to set up resource centres that could be accessed by FTOs and producers. The networks were also advised to improve their research evidence and documentation so that they have illustrations drawn from the reality of producers' lives to back up their campaigns.

The second stream related to the need (and opportunity) for the national Fair Trade networks to become **stronger platforms for advocacy in favour of women and informal workers**. Although Fair Trade networks already have advocacy on their agenda, and are supported by the WFTO regional networks and European Fair Trade Advocacy Office, which have their own advocacy officers and committees working to speak out for Fair Trade and trade justice, it was felt that the networks could play more of a role in relation to women informal workers nationally. For example, Fair Trade Group Nepal felt that it should be taking a lead in policy dialogues related to informal producers, building strategic alliances with other like-minded organizations and networks, and advocating for the ratification of ILO Convention 177 (labour rights for home-based workers). Similarly, Fair Trade Forum - India felt it was important to evolve a Policy

Framework that is “big” in scale and proposed the creation of “a Forum of stakeholders for mobilizing the critical mass, to develop innovative ideas and strategies, research and advocacy including legal and media advocacy.”⁸¹ They see Fair Trade as having the potential to lift millions of women informal workers out of poverty and to bring about gender equality in society, but recognize that in order to convince policymakers, rigorous research evidence is needed.

Fair Trade may offer that alternative paradigm for women’s empowerment with a strong emphasis on fairness in terms of work for women, wages and attributing dignity to their work.... In Fair Trade we should be giving emphasis to a philosophy that handwork enables the human spirit to survive, serves to balance ecology and helps the economy use its resources in a manner that will generate sustainable livelihoods.... There is a need to find a smart way to tell the story both to policy makers and the masses in general.

Fair Trade Forum - India⁸²

Finally, a consensus was formed at Mombasa around the need to pay **more attention to gender and women’s economic empowerment in Fair Trade**, starting from the two international Fair Trade networks, WFTO and Fairtrade International. Although women have long been at the heart of Fair Trade, especially in the WFTO given the high numbers of women involved in the production of handicrafts and the fact that many FTOs have specifically targeted women producers, up to now there has been no explicit gender policy or programme of activities related to gender within either network. Furthermore, although Fair Trade advocacy talks about increasing income for disadvantaged, poor women producers, the image and discourse tends to be of a down-trodden, marginalized woman. This is often disempowering and doesn’t recognize women as workers with great strengths and with rights. As a result, the participants at the Mombasa Workshop felt that specific gender policies should be introduced that include affirmative action to achieve **greater representation of women in governance roles and to highlight the importance of women’s economic empowerment in Fair Trade**. They identified specific policy asks for women’s economic empowerment and subsequently worked with their regional Fair Trade networks (COFTA – Cooperation for Fair Trade in Africa – and WFTO Asia) to formulate resolutions calling for the establishment of a working group on gender and women’s economic empowerment with the WFTO. These resolutions were then approved at WFTO’s Annual General Meeting on 26 May 2011.⁸³

81 Source: “Economic Empowerment of Women in the Informal Economy in India: A Contextual Analysis Report.” New Delhi: Fair Trade Forum – India, 2011: 40.

82 Ibid.

83 Fairtrade International has also embarked on a process to develop a Gender Policy, due for completion in 2012, but this is not associated with the Women Organizing for Fair Trade project.



Chapter 7: Lessons Learned

Collective Enterprise, Fair Trade and Women's Economic Empowerment

The country case studies summarized in this report set out to explore how women who are organized in collective forms of enterprise for market access have experienced economic and social change as a result of being organized. The focus of the case studies was on illustrating how collective enterprises that have clear economic and social goals and are engaged in Fair Trade markets provide a model for women's empowerment. This was premised on the proposition that organizing women around trade based on principles of fairness, social justice and solidarity rather than personal gain and enrichment will enable processes of economic, social and political empowerment for women in the global South. As such Fair Trade posits an alternative set of values to mainstream economics, focusing on strengthening the position of people who are marginalized in conventional trade. For example, Northern-based Fair Trade Organizations (FTOs) have their origins in social and faith-based movements and have historically sought to extend the benefits of trade to the poorest and most disadvantaged groups. Likewise, the global Fair Trade movement, coordinated under the umbrella organizations Fairtrade International and the WFTO, has stimulated and encouraged producers to organize into democratically-run cooperatives, associations and networks in order to achieve economic efficiency, redistributive justice and collective power.

In order to reach some broad conclusions in relation to the key proposition outlined above it is important to analyze whether the information gathered through the case studies demonstrates that engaging in collective forms of enterprise has contributed to economic and social change and to what degree. This analysis draws on the information contained in chapters 3 and 5 on the benefits and challenges experienced by the organizations that participated in this research project.

For WIEGO, empowerment refers to the process of change that gives working poor women – as individual workers and as members of worker organizations – the ability to gain access to the resources that they need, but also the ability to influence the wider policy, regulatory, and institutional environment that shapes their livelihoods and lives.⁸⁴ The following table summarizes the key changes that emerged through the case studies using Caroline Moser's framework (Moser and Levy 1993) that distinguishes between women's practical and strategic needs. This framework classifies planned interventions in terms of those that meet practical gender needs – that is, the needs identified to help women in their current situation (in this case, as working poor women in producer groups) and those that meet strategic gender needs, namely, the needs identified to transform existing subordinate relationships between men and women. The distinction between practical and strategic needs is a useful tool for analyzing the changes that were identified through the case studies, as well as identifying the gaps which limit women producers' ability to influence the wider environment.

84 Women's Economic Empowerment: WIEGO Position and Approach, available at: http://wiego.org/sites/wiego.org/files/resources/files/Chen_Economic%20Empowerment_WIEGO_Position.pdf.

Table 7.1 Degree to which Engagement in Collective Enterprises has Led to Economic and Social Change for Women and their Influence

Practical Needs	Strategic Needs	Ability to Influence Wider Environment	Gaps/Observations
Improved income at individual and group levels	Financial autonomy and improved status at household level. Some change in gender division of labour. Access to social protection and sources of support in times of need	Ability to influence wider trade policy environment largely dependent on degree of support for organizations' insertion in networks' advocacy efforts, and the focus and effectiveness of that advocacy	Contingent on regular orders, fair prices in markets, ability to negotiate with buyers
Improved production skills and techniques	Improved access to markets, value addition leading to movement up the value chain	Generally limited to niche export markets but with notable exceptions such as India (considerable penetration into domestic markets), and Kenya (regional markets – through diversification into fishing)	Provision of capacity-building support limited to FTO's ability to create a surplus or secure donor funding to fulfill this role; limited governmental support to upgrade skills and introduce new, labour-saving technologies
Access to inputs and financial services	The creation of new financial services directed at women	Mainstream financial institutions continue to exclude working poor (both men and women), but establishment of new types of banks etc. (e.g. India) may present viable alternatives	Although big variations in size and scope, has raised awareness of how access to financial products can build women's assets and help them set their own agendas and priorities

Practical Needs	Strategic Needs	Ability to Influence Wider Environment	Gaps/Observations
Improved self-esteem and self-confidence	Improvement in women's agency – ability to define their own goals and act upon them Women have gained experience in leading and managing organizations	Increased influence at household and community levels, but also evident in broader organizational and network dynamics; favourable national legislation and policies in place to improve gender equity, but implementation has been poor; women often unaware of their rights	Women entering domains traditionally dominated by men, e.g. fishing, direct marketing, leadership roles; context specific factors such as cultural norms and practices, ethnicity and political environments have considerable influence on outcomes

As this table demonstrates, women have experienced significant progress in meeting their practical and strategic needs through being engaged in collective forms of enterprise and linked to Fair Trade markets. Being organized in groups has allowed women to learn from each other, pool resources to acquire inputs and capital, receive training and improve production techniques. This has been central to enabling them to produce marketable goods and trade with Fair Trade buyers on more favourable terms. Across all seven countries, women reported how the income they have gained has strengthened their livelihoods and helped them meet their households' material needs such as food, clothing and shelter. For women marginalized in their communities (e.g. for being separated from husbands or disabled), having a reliable income stream has often saved them from destitution.

At a more strategic level, the ability of women to generate income and sustain their families has improved their self-esteem and their status within the household and, more broadly, in the community. Through being part of self-organizing groups women have also gained confidence in their own abilities and are more willing to challenge gender-based barriers to their participation in markets. Social capital gained from the experience of working collectively has stood them in good stead in hard times, such as when demand for their products in Fair Trade markets falls off. For example, the practice of pooling small surpluses in savings and credit schemes has made it possible for some groups to diversify production and trade with local and regional markets. These are all important steps towards women's economic empowerment.

In spite of this progress, many challenges remain. Women often still face constraints in accessing productive resources, especially capital, and their economic activities are also constrained by weaknesses in public infrastructure and services. Gender relations within households remain unequal in most cases, and women struggle to balance paid and unpaid work. Context-specific factors such as cultural norms and practices, ethnicity and political practices continue to have negative effects on many women. Although in all seven countries there have been improvements in government policy and legislation in relation to gender equity and recognition of women's role in the economy, the study found that women producers are often still unaware of their rights and are marginalized from the economic opportunities that exist. Additionally, external factors such as the global economic recession have resulted in a contraction of market demand from many Fair Trade buyers and increased costs and inflation have meant that, in many cases, prices paid have not kept up with the costs of production. Without regular orders, women do not receive a regular income to meet their basic needs. If the group is already strong, it may be able to organize itself to adapt to the new conditions and look for new market outlets for products. If it is weak, women may have to resort to being independent producers and traders, scratching a living in whatever way they can.

It is, therefore, important to recognize that the process of empowerment is not a linear one where forming collective enterprises and selling to Fair Trade markets will necessarily lead to a change in women's status or gender relations. It is the *combination* of context, the specifics of organizational dynamics and functional effectiveness, strength of market linkages and degree of support from external actors which may converge to produce positive results. Whilst it was not possible to draw definitive conclusions about how and why some forms of collective enterprise work better than others, factors such as strong leadership and professional management, democratic governance with good communication and transparency, and a commitment to gender equity all appear to be important. It is also evident that the *functions* of marketing, product-related services, input supply, financial services, organizational development and non-commercial activities are all necessary to the achievement of both commercial and social goals.

Fair Trade Organizations have played a critical role in ensuring these services and activities are available to women producers, as well as in providing linkages to end buyers. Fair Trade country and regional networks also play their part with training programmes, seminars, exhibitions and trade fairs, and the global associations, whether WFTO or Fairtrade International, with consumer campaigns, standard setting and certification systems, and producer support services. However, their ability to undertake these functions is strongly affected by Fair Trade market dynamics, which are linked to global economic trends, as well as government and donor support for Fair Trade. FTOs in the study reported that profit margins shrink all the time and surpluses are very small. Furthermore, external resources are often scarce, especially for artisan producers. This conundrum was summarized by the Marketing Manager of Undugu Fair Trade in Kenya:

Our focus is enhancing the production capacities of our producers in terms of product quality, quantities per unit, production technology, working environment, [and] safety and health issues based on the market demands and requirements. We believe that with increased markets and consistent work to the groups, these will avail more income within the group and community to facilitate their own undertaking in other communal based development projects. However, in our business training needs assessment, we endeavour to link up the groups with service providers within the government or development agencies based on each groups' identified needs. Our desire to directly get engaged in non-commercial training services is limited by our capacity to access additional resources outside of our business revenues.

Fred Masinde, Undugu Fair Trade, Kenya⁸⁵



Strengthening the Fair Trade Movement

A key goal of the project was that the process would strengthen the Fair Trade movement, of which the partners were a part. Here we examine the key outcomes in relation to the Fair Trade movement and how these may have or will contribute to advancing the position of women informal producers in the global South. An important caveat must be noted here: most of case study enterprises and country partners are affiliated to the WFTO, so project activities had more effect on this branch of the Fair Trade movement. As such, most of the discussion in this section relates to WFTO rather than Fairtrade International.

The project allowed Fair Trade organizations and networks to undertake two important activities: firstly, to reflect on the achievements of Fair Trade in supporting women informal producers, and to hear directly from women about their needs and priorities; and secondly, to analyze the broader contextual factors which affect women's ability to engage in trade, including global macro-economic policies, national legislation, and the (gendered) institutional environment. Research partners acknowledged the value of these activities, giving them space to reflect on their work and that of the Fair Trade movement generally, and to plan for the future. During the final sharing and learning workshop in Mombasa in May 2011, three key points emerged from the case study research as new perspectives for Fair Trade:

1. an informal economy perspective on Fair Trade producers
2. the need for a paradigm shift from a welfare approach to a rights-based approach
3. the need for a focus and institutional policy on gender equity for informal workers producing for Fair Trade markets within the WTO specifically and the Fair Trade movement generally

As a result of the project, country partners began to analyze where Fair Trade producers, and women producers in particular, fit within the informal economy. Through the process of the contextual analyses, the concept of “producer” as traditionally understood within the parlance of Fair Trade, began to be unpacked. This led to thinking about employment relationships and status, the nature, structures and representativeness of “producer groups,” and the need for a “paradigm shift” from a welfare to a rights-based approach. This is a significant proposition and one which poses a challenge to the Fair Trade movement going forward as it often plays on the image of the “marginalized, downtrodden woman” in its consumer campaigns. This contrasts with the image of empowered women in the stories, photos and films that came out of the action research.

The national and regional Fair Trade networks were identified as important platforms for advocacy for the rights and interests of women informal producers, at national and international levels, and in relation to domestic policymaking as well as the Fair Trade movement. The networks all have advocacy on their agenda, with an overarching goal to speak out for Fair Trade and trade justice. They are also linked to the Fair Trade Advocacy Office in Brussels which monitors European and international trade and development policies and ensures a constant dialogue between the Fair Trade movement and political decision makers. The project gave all partners the opportunity to review and re-articulate their political “asks” and to jointly develop an “agenda for change” which can be pursued through the advocacy work of the country and regional Fair Trade networks. Some of the highlights of this agenda are:

- The numerous policies which exist to improve gender equality and women’s economic empowerment need to be implemented and enforced if they are to be effective in enabling change for women who are trying to work their way out of poverty.
- Workers in the informal economy need to be consulted in policy formation so that these are appropriate and enabling to the people for whom they are created.
- The right level of support in capacity-building, technology, infrastructure and fair finance can enable informal workers to effectively engage with local, regional and global markets, generating income which lifts them and their families out of poverty.
- Governments need to understand and document the contribution that informal workers make to the economy at every level.

As evidence of their renewed energy and vision for policy change, the national Fair Trade networks worked together with their regional WFTO chapters to push for more attention to gender and women's economic empowerment in the WFTO, successfully leading to resolutions on gender being passed at the WFTO's Annual General Meeting (AGM) in May 2011.

A Final Word on Voice, Visibility, Validity

Did the project increase the voice, visibility and validity of working poor women? The study involved 16 collective enterprises (some primary level organizations, others secondary level) from seven countries with a total membership of around 7,500 women, linked to a range of intermediary FTOs and national and international Fair Trade networks. The action research methodology gave many of the women the opportunity to talk about their own lives and experiences, to articulate their own perceived needs, speak directly to camera, take part in focus group discussions, hear about women in other countries, ask questions and have their voices heard. Through the process of analysis, learning and sharing, the women and their groups exercised voice, became more visible and gained recognition and validity as workers with their own identity and rights. This chronicle of the project and its outcomes takes that recognition to a wider audience, providing a record and analysis of what happened over the two years 2009-2011 and increasing our understanding of what is needed to achieve Millennium Development Goal 3 (MDG3): Promoting Gender Equality and Empowering Women.



Members of the Kolokol Ewala Group returning home after fishing.
Photo: G. Engole 2011

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Appendix 1: Overview of Research Partners and Country Context for Kenya



Lead Partner Organization: Kenya Federation for Alternative Trade (KEFAT)

The Fair trade movement in Kenya is the oldest in East Africa and, in terms of numbers and volumes, constitutes the largest block within the Africa Fair Trade movement. The Kenya Federation of Alternative Trade (KEFAT) is the pioneer National federation of Fair Traders in Eastern and Southern Africa and indeed played a key role in the establishment of the Pan-African movement.⁸⁶ KEFAT membership is open to any legally registered organization engaged in, promoting or supporting Fair Trade. KEFAT has 90 rural, urban, family-based and grassroots member organizations. KEFAT's mission is to promote social justice in trade and economic development. Its purpose is to improve the livelihoods and well-being of disadvantaged Kenyans by linking and strengthening organizations practicing Fair Trade, as well as strengthening Kenya's position in the regional and international market place. KEFAT is the country network member of COFTA (Cooperation for Fair Trade in Africa), which is affiliated to WFTO (World Fair Trade Organization). Several KEFAT members have Fair Trade shops in Nairobi and sell products from other members. COFTA and KEFAT represent members at large Trade Fairs in Europe. The Export Promotion Council holds regular exhibitions and fairs to which KEFAT members are invited. For more information on KEFAT see: <http://kefat.org/>

Case Study Enterprise 1: Baraka Women's Group

The 38 members of the Baraka Women's Group, registered as a Self-Help Group with the Ministry of Gender in Nairobi, are all micro scale vegetable, fruit and livestock farmers based in the same village community who started their group in 2006. The Group meets every week on Tuesday, minutes are kept of all the meetings and every year there is an AGM and an election is held. The women receive training through the group and they have formed a Merry-go-Round. They are supported by the Undugu Fair Trade Company (see: <http://www.undugufairtrade.co.ke/>), a member of KEFAT, which is trying to help the group market mangoes and amaranth, a nutritious grain which the women grow. The group is registered with the Ministry of Agriculture from which it receives extension services.

86 Sources: Thariki, Wilfrid. "Standing up to Trade Barriers - Contextual Analysis Report Kenya." Kenya: KEFAT, 2011. P.9

Case Study Enterprise 2: Turkana Women's Group

Turkana is an arid region in the far north of Kenya close to the Somali border. It has been neglected since independence, although with the new constitution and the "equalization programme," there is a deliberate effort to help the people. Several scattered groups of women make up the Turkana Women's Group which is registered with the Ministry of Social Services but is informal in its nature. Women members make baskets, do beadwork and work with wood and gourds. The group has been supported by the Undugu Fair Trade Company, but demand for their products has fallen away. There are almost no other livelihood opportunities for women, but the empowerment that came from group membership gave the women the confidence to buy a fishing boat, and trade in dried fish (usually done by men).

Case Study Enterprise 3: Mathima Women's Group

The Mathima Group is linked to the Machakos Cooperative Union (MCU) which has been in existence for more than 30 years. It has 60,000 members - most of whom are coffee or dairy farmers. The members are organized into 78 primary level societies of which 54 are active. There are 3,500 women members in 29 registered self-organizing groups, of which Mathima is one. After several years of declining export sales, 2009 saw overall turnover beginning to increase. The export of handicrafts, mostly sisal *kiondo* baskets made by the women's groups, is worth about \$100,000 a year. Fair Trade handicraft buyers include CTM Italy, Intermon Oxfam Spain, Oxfam Australia, Claro Switzerland and GEPA Germany.

MCU is trying to find new markets for the handicrafts in East Asia. The Kenya Export Promotion Council has taken some of the baskets to a trade fair in China.

Country Contextual Analysis⁸⁷

Change is coming in Kenya. In 2010 the Government changed the Constitution to recognize women's rights. A Ministry for Gender has been established, as well as a Constituency Development Fund which pushes responsibility for some government spending to the level of the constituencies and has a special focus on women's development. Because it acknowledges that the informal economy drives economic growth, it wants to promote decent wages, increase incentives to register businesses and lower bureaucratic costs. It is aware that cultural and social norms prevent women from owning assets, which makes obtaining credit difficult. A Kenya Women's Micro Credit fund of KSh 1 billion has been established to enable registered self-help groups to access credit. The KEFAT Board has indicated that all these initiatives are "revolutionizing Kenya to assist women."

However, KEFAT reported that the trading environment is difficult. The global economic downturn has meant that traditional Fair Trade export markets are in decline. In addition, lack of market information and access, exploitation by middlemen, and low product standards all hold women back in selling their products. Other national challenges include low levels of exports, inadequate and weak infrastructure, the proliferation of counterfeits, the menace of insecurity, an unfriendly business regulatory framework and the high cost of energy and finance. Women need better access to resources and opportunities, ways must be found to reduce labour time, and education and health should be improved. As well, women's leadership skills need harnessing to give them political and decision-making power.

87 Sources: Thariki, Wilfrid. "Standing up to Trade Barriers - Contextual Analysis Report Kenya." Kenya: KEFAT, 2011. Also "MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report." Mombasa, Kenya, 19-22 May 2011.

Appendix 2: Overview of Research Partners and Country Context for Tanzania



Lead Partner Organization: The Tanzania Fair Trade Network (TANFAT)

Founded in 2003 but not formally registered until 2010, TANFAT is a young network whose members work to alleviate poverty among marginalized producers through the exchange of ideas and experiences, lobbying and advocacy, and growing sales for producers by developing and promoting hand-made products. TANFAT plans to focus on improving production, quality and production capacity and envisions becoming a strong Fair Trade network. TANFAT is the country network member of COFTA, (Cooperation for Fair Trade in Africa), which is affiliated to the World Fair Trade Organization (WFTO).

Case Study Enterprise 1: The Tusife Moyo Women's Cooperative

The Tusife Moyo (Keep Going) Women's Cooperative is in Kidoti, Zanzibar was formed as a self-help, income-generating group and has about 25 active members. The group started in 1992 with agriculture, farming seaweed; in 1995, the women began to make soap. They struggled to compete with others selling larger blocks of soap at lower prices until they added scent to the soap and business soared. They went from shop to shop and this way increased their market to about TSh 2.5 million per month (about Euros 1,470). They have now started their own shop and also export their soaps via Kwanza Collection, a Dar es Salaam-based Fair Trade exporter and member of TANFAT (see <http://kwanzacollection.com/>).

Case Study Enterprise 2: Wawata Njombe

Wawata Njombe works with five women's groups at the village level and has more than 300 active members who weave iringa reed baskets. Like Tusife Moyo, it was formed as a self-help, income-generating group. Wawata Njombe markets products through Kwanza Collection. Wawata Njombe began in 1995 as a Church-based mothers union and developed into a village-based producer group with the help of a British rural development worker. At first their market was small but since being linked to Kwanza Collection, they have been much more successful and they now have TSh 16 million (approximately Euros 7,210) of capital.

Country Context Analysis⁸⁸

Tanzania's Constitution prohibits discrimination based on gender. The government has a specific Women and Gender Development Policy in place that stresses education as a means of empowerment. A signatory to the Millennium Development Goals and many regional and international conventions relating to gender, the government professes a commitment to the economic empowerment of women. Despite this, there remains a significant gap between policy and the achievement of gender equity. Informally employed poor women continue to face many difficulties. The case study recommends that government find a way to consult women themselves when it comes to implementing policies that affect women workers' lives.

The areas in which enlightened policy would improve the rights, voice, protection, and opportunities of those who work in the informal economy include: labour legislation (that guarantees, at a minimum, core labour rights to all informal workers); social protection coverage (that is provided either through existing and/or new schemes); macroeconomic policies (that balance incentives, tax burdens, and statutory benefits between small and big businesses and between informal and formal workers); and urban regulations that are formulated through a process in which those who work in the informal economy have a voice.

88 Source: "Contextual Analysis of the Policy Environment for Women Producers in the Informal Economy in Tanzania." Report prepared for TANFAT by Ndemanyiswa Mbise. Tanzania: TANFAT, 2011.

Appendix 3: Overview of Research Partners and Country Context for Uganda



Lead Partner Organization: The National Association of Women's Associations in Uganda (NAWOU)

NAWOU has more than 70 national and over 1,500 community-based organizations as members. Registered as an NGO in 1992, NAWOU's mission is to promote the growth of a strong women's movement in Uganda that works for women's rights and enhances their social and economic status. It is affiliated to the International Council of Women; is a member of the International Council for Social Welfare; and has consultative status with the UN Economic and Social Council. Its vision is to see a unified body of women and women's organizations with skills and capacity for self-sufficiency. NAWOU is a service provider first; marketing and market promotion is a small part of what they do. However it has its own Fair Trade shop in Kampala and its marketing department promotes and exports handicrafts made by women to Fair Trade markets in the United States, Canada and a number of countries in Europe.

NAWOU is a member of the Uganda Federation for Alternative Trade (UGAFAT), Cooperation for Fair Trade in Africa (COFTA) and the World Fair Trade Organization (WFTO). For more information on NAWOU see <http://www.nawouganda.org/>.

Case Study Enterprise 1: Kazinga Basket Makers

The Kazinga Basket Makers group has 60 women members from Mpigi and Nkokonjeru who weave baskets. The group is registered with NAWOU, which market the baskets its members weave.

Case Study Enterprise 2: Ngalo and Kanyanya Textile Handicrafts Groups

The Ngalo Textile Handicrafts Group has 35 members who work together embroidering traditional bark cloth with raffia as well as making cloth toys. The Kanyanya Branch of the Ngalo Group formed relatively recently and has 23 women who used to work individually but decided that working as a group would be beneficial. They work with fabric and banana fibre, producing a range of bags, purses, mobiles, dolls and toy animals. They also grow and sell mushrooms. Both groups are registered with NAWOU, have a constitution and elected officers.

Case Study Enterprises 3 and 4: Fruit Dryers Groups (Patience Pays Initiative in Kayunga and Kangulumira Group)

Patience Pays Initiative (PPI), with about 100 fruit dryers and farmers in membership, and Kangulumira group with about 30 women members, are two of more than 100 groups who belong to the Fruits of the Nile Growers' Association, farming pineapples, mangoes, bananas and then drying them to sell to Fruits of the Nile export company in Jinja. Fruits of the Nile supply the dried fruit to the FTO Fulwell Mill in the UK for use in its Tropical Wholefood branded high energy fruit snacks and bars sold in British supermarkets and wholefood stores. Fruits of the Nile is a member of UGAFAT and producers are certified Fairtrade and organic, which enables them to achieve a higher price and receive a Fairtrade Premium on top of that price.

The Fruits of the Nile business was started in 1993 by Adam Brett and Angello Ndyaguma who realized that, owing to a lack of market, much fruit was left on the ground to rot. They developed a simple solar dryer, with a wooden frame, metal trays and a polythene cover, in which fruit and vegetables could be dried, and introduced it to farmers. Fruits of the Nile now sell about 100 metric tonnes of dried fruit a year worth about US \$200,000. For more information on Fruits of the Nile see <http://www.fmfoods.co.uk/tw/fon.htm>.

Country Context Analysis⁸⁹

Through the East African Community Common Market Protocol, the borders between the countries in the region have been opened. However, NAWOU reported that Ugandan artisans are at a disadvantage regionally and found it hard to compete with Kenya and Tanzania, where the handicraft sector receives government support. This creates a barrier to reaping the benefits of regional integration. A key recommendation that came out the contextual analysis is that the National Statistics Bureau of Uganda obtain statistics that will quantify the vital contribution made by women handicraft makers and fruit driers to the country's economic development. NAWOU also proposed that more could be done to provide community leaders and producers with information about production processes and marketing opportunities; that there should be fewer handouts and more capacity building to empower producers as change agents in their communities; that informal groups should be formalised and recognized. They identify a major gap between gender policy in Uganda and implementation and ask for evaluation of why policies are not working as well as translation of policies into local languages to create greater awareness of their existence. They believe the establishment of gender focal points in ministries would ensure that gender issues are mainstreamed.

89 Sources: "Informal Artisans Research Report." Uganda: NAWOU, 2011. Also "MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report." Mombasa, Kenya, 19-22 May 2011.

Appendix 4: Overview of Research Partners and Country Context for India



Lead Partner Organization: Fair Trade Forum – India (FTF-I)

Registered in 2000, FTF-I is the national network for Fair Trade and its mission is poverty eradication by “creating visibility, acceptability, adaptability, marketability and sustainability to the Fair Trade Movement and its member Fair Trade organizations.” It works with 100,000 grassroots artisans and farmers. In its last financial year, its members reported a total turnover of US \$40 million, of which the majority was export sales. FTF-I is affiliated to the WFTO Asia, the regional chapter of the WFTO (World Fair Trade Organization).

For more information on FTF-I see <http://www.fairtradeforum.org/>.

Case Study Enterprise 1: The Artisans Association

The Artisans Association links 30 self-organizing rural and urban groups of artisans (mostly women) and women-headed SMEs. The groups elect representatives to the central committee that runs the Artisans Association. It has strong links to the Fair Trade marketing organization Sasha and its sister development organization Sarba Shanti Ayog (SSA). Each focuses on a particular area of competence:

- Artisans Association focuses on order execution, sharing, coordinating and monitoring work among the textile producers.
- Sasha focuses on business development, ordering, and supply chain management, and its community development work includes health, education and the promotion of organic agriculture.
- SSA focuses on capacity building for its producer members, many of whom are self-help women’s groups specializing in textiles, garments and embroidery.

Sasha and its linked organizations were founded in 1978 by the late Shabbi Kohli and Roopa Mehta (the current Managing Director and Chair of FTF-I). Sasha’s mission is to create prosperity through empowering and providing livelihood opportunities for craft groups and marginalised communities in India and promoting Fair Trade as a way of life. For more information see: www.sashaworld.com

Case Study Enterprise 2: SABALA

SABALA's vision is the empowerment of women and marginalized communities through access to sustainable livelihood opportunities. Working in 60 villages in Karnataka, it focuses on enabling village women to organize themselves into self-help groups. SABALA also lobbies against child marriage and abuse of women. It advocates for improved housing and "housing for the houseless." It has its own bank with US \$4.5 million capital and 25,000 clients, and is run by women for women.

SABALA was started in 1986 by Mallamma Yalwar and registered under the Karnataka Societies Registration Act. Mallamma was motivated by the gender discrimination she encountered, by low rates of literacy, poor living conditions, child marriage, lack of employment opportunities and low wages, child labour and other social ills. SABALA is governed by an elected Management Council with nine members including producer representatives. Through the community groups initiated by SABALA, women undertake development programmes, receive skills training, are involved in employment opportunities, learn how to save and receive education on health, child care and nutrition. For more information see: <http://www.sabalaindia.com/>.

Case Study Enterprise 3: Sadhna

Sadhna is a women's handicraft enterprise providing an alternative means of livelihood and income for disadvantaged rural, tribal and urban women in Rajasthan. Starting with one small group of 15 women, today the Sadhna "family" has grown to nearly 700 women organized in 49 self-help groups. Sadhna helps build secure futures for its members in terms of health, children's education and family security. Various social security mechanisms have been introduced.

Sadhna is registered under the Mutual Benefit Trust Act of India. It began in 1988 as an income generating project of Seva Mandir, a not-for-profit, development organization in Udaipur, Rajasthan, working to transform lives through democratic and participatory development. It has a central production unit with more than 80 machinists making garments and finishing products, and a sampling and training centre. Elected group leaders are the link between the self-help groups and the production unit. Sadhna has two shops in Udaipur. For more information see: <http://www.sadhna.org/>.

Country Contextual Analysis⁹⁰

FTF-I's contextual analysis highlighted that the role of the informal economy in general, and the contribution of women in particular, has not received its due policy attention in India. According to FTF-I, the key hindrance has been a lack of information among policymakers about the social and economic issues related to the informal economy. The principle of gender equity is embedded in the Indian constitution. However Indian society has not followed the constitutional mandate and women have been victims of socio-economic and political discrimination in every sphere. However, if appropriate socio-economic policies, including trade policies with strong elements of gender equity, are formulated and implemented, the informal economy can offer vast opportunities for the large population of women in India to overcome poverty, earn a decent living and live with dignity.

A key policy request that the FTF-I is making is for more government support to nurture Fair Trade institutions. One of the essential goals of Fair Trade organizations and women producers in India is finding ways to tap further into the growing domestic market of tens of millions of high earning, high spending Indian middle-class professionals.

90 Source: "Economic Empowerment of Women in the Informal Economy in India: A Contextual Analysis Report." New Delhi: Fair Trade Forum – India, 2011. Also: "MDG3: Fair Trade for Women Producers – Dissemination, Learning and Sharing Workshop Report." Mombasa, Kenya, 19-22 May 2011.

Appendix 5: Overview of Research Partners and Country Context for Nepal



Lead Partner Organization: Fair Trade Group Nepal (FTG Nepal)

FTG Nepal is a consortium of 17 Fair Trade organizations working to improve the socio-economic status of marginalized producers. It was informally established in 1993 and formally registered as an NGO in 1996. It aims to develop constructive collaboration among Fair Trade organizations, to influence policymakers to adopt Fair Trade friendly policies, and to promote Fair Trade practices in Nepal. The organization also works to enhance the capacity of its members and help them capitalize upon their existing resources. It provides a platform where its members discuss their common problems and share ideas and information with each other. Members provide business, financial, design, training and marketing support to more than 35,000 producers, many of whom are women. FTG Nepal is a founder member of WFTO Asia. For more information on FTG Nepal see <http://fairtradegrouppnepal.org/>.

Case Study Enterprise 1: The Association for Craft Producers (ACP)

The ACP is a not-for-profit Fair Trade Organization that was founded in Kathmandu in 1984 with the explicit aim of empowering women and increasing their self-confidence. It now has 1,200 producers (90% women) in 22 skill categories and 60 staff. ACP offers comprehensive benefits, including child education allowance, paid maternity leave, medical and a retirement bonus, plus bonuses and new clothing at festival times. ACP exports to 18 countries and has its own Fair Trade retail outlet in Kathmandu. Its biggest customer is a mainstream buyer. For more information see <http://www.acp.org.np/>.

The case study research focused on the Kirtipur Weavers' Group and its approximately 50 active members located 5 kilometres from Kathmandu – full time weavers who are dependent on their craft work for their livelihoods. ACP supplies raw materials and designs, and the skilled women weavers provide finished products for which they are paid a negotiated wage. Final products made from Kirtipur's cloth are marketed in the USA, Europe and Japan. The group has ambitions to begin producing its own patterns and designs, and to take a lead in marketing.

Case Study Enterprise 2: Women Skill Development Organization (WSDO)

The WSDO is also a not-for-profit FTO. It was established in Pokhara in 1975 and provides skills training to **thousands of grassroots producers in small, self-organizing cotton weaving groups**. It also works with 400 home-based weavers and hand stitchers in village groups. The research looked at three weaving groups linked to WSDO: Bhajapatan Group consisting of 42 producers; Lekhnath Group with 65 producers; and Lama Chour Group with 30 producers. All are from the Gurung ethnic community and farming is their primary occupation. Some of the women are single mothers or divorcees, and all are very much dependent on their earnings from the weaving as they have little additional household income. WSDO sells to Oxfam Australia, Spain and Ten Thousand Villages, as well as locally through its own shop. For more information see: <http://www.wsdonepal.org/>.

Country Contextual Analysis⁹¹

Nepal has made good progress in human development and poverty reduction over the last two decades. It has raised the health status of the population with regard to life expectancy, immunization, disease control and access to health facilities with a significant decline in under age five mortality rates. Despite this progress widespread poverty is still severe in many segments of the society and women and children are the most vulnerable. While the government expresses a commitment to enhancing gender equality and inclusion, domestic violence, trafficking of young women and abandonment of families by husbands is still reported to be widespread. Subsistence agriculture does not provide employment for the whole year; hence people have to search for supplementary sources of income. Off farm skills such as weaving basketries, textile weaving, harvesting nettle fibre, collecting lokta and processing into paper are some of the sources of income for rural dwellers. Many of these economic activities are not visible or counted in statistics as they are not formally registered in any legal form.

91 Source: Chitrakar, S. "Contextual Analysis: A Case Study of Fair Trade Producers." Kathmandu: Fair Trade Group Nepal, 2011.

Appendix 6: Overview of Research Partners and Country Context for Nicaragua



Lead Partner Organization and Case Study Enterprise: PRODECOOP

PRODECOOP is a Fairtrade- and organically-certified source of coffee. It has 39 primary cooperative members with 2,400 individual members; 25 per cent of them women. The project focused on eight of the primary cooperatives. Coffee production occurs in three geographical regions in the north of Nicaragua covering 10 municipalities with 100 rural communities. PRODECOOP's annual production averages 50,000 quintals (about 110,000 tonnes) of coffee, 50 per cent of which is also organic.

Key to PRODECOOP's success is an emphasis on quality of its product, service provided to members and clients, environmental sustainability and quality of life for its members. It offers technical support to its primary cooperatives to ensure the quality of coffee, as well as training and capacity building in cooperative management, social programmes, diversification of production, food security and climate change mitigation. It also handles the bulking and processing of coffee at its state-of-the-art coffee processing plant, and sales and marketing. PRODECOOP has won the "Cup of Excellence" international award every year since its inception in 2002.

At a Latin American level, the CLAC (Latin American Network of Fair Trade Cooperatives) is presided over by PRODECOOP's General Manager. It exports 80 per cent of its coffee to Fairtrade and organic markets in the USA and Europe and is a member of a country-wide alliance of 11 cooperatives and unions called CafeNica. Within CafeNica, there is a women's movement, *Flores del Cafe*, to address the issue of gender equity at a structural level.

For more information see <http://www.prodecoop.com/>.

Country Contextual Analysis⁹²

PRODECOOP has benefitted from significant growth in consumer demand for Fairtrade coffee in Europe and the USA. Sales of Fairtrade certified food products have increased more than 40 per cent in Europe in the last five years. This has brought the challenge of securing sufficient working capital at the time of the coffee harvest to fulfill demand. Fair finance remains one of the greatest challenges for many second level cooperatives, especially when the commodity price is high. While high prices are good news for farmers, they lead to an increase in the requirements for working capital.

According to PRODECOOP, the trading environment for agricultural cooperatives in Nicaragua is very much linked to the wider context of globalization and neoliberal economic policymaking since the 1990s. In Nicaragua this has led to a dismantling of state support for agricultural cooperatives (including an end to procurement of food staples and provision of credit, extension services and transfer of technology) and the emergence of a sector dominated by private agribusiness (including multinationals). Some cooperatives have managed to survive this restructuring by focusing on export commodities and bringing in trained professionals to provide management, administrative and technical support. These cooperatives are now able to participate in some policymaking circles, but they receive no practical support from the state.

During interviews and discussions, cooperative members identified a number of challenges: the high level of illiteracy in the communities; a high degree of deterioration of infrastructure such as access roads and ports, which pose a risk to the quality of the coffee; and climate change. A recent report predicted that many areas of coffee production would disappear within 15 years.

92 Source: "Women and the Coffee Cooperative Movement in Relation to the Implementation of National, Regional and International Policies." Nicaragua: PRODECOOP, 2011.

Appendix 7: Overview of Research Partners and Country Context for Mexico



Lead Partner Organization and Case Study Enterprise: Ya Munts'í B'ehña, SC de RL de CV, and their Support Organization Āepi Behña, A. C.

Ya Munts'í B'ehña means “women united” in the ñähñú language. The cooperative is located in the Mezquital Valley in the State of Hidalgo, which has a population of 2 million people, 15.2 per cent of whom speak an indigenous language as their first language. The cooperative, which was formally registered in 2001, is composed of 250 women members from five communities. The women produce body scrubs made from the fibre of the maguey cactus plant. The ancient production techniques are labour intensive and involve stripping the fronds of the cactus leaves to extract the fibre, beating, burying and burning the fibre to soften it and then spinning it into yarn for crocheting, knitting or weaving.

Members of the cooperative have been selling scrubs to The Body Shop International since the early 1990s through a relationship established by that company's founder, Anita Roddick, under its Community Fair Trade Programme. Since its legal registration in 2001, the cooperative has been the direct exporter to The Body Shop.

The cooperative evolved out of a previous association of artisans who came together with the support of the London-based FTO Twin Trading, which provided the initial support to foster group formation between communities and establish the internal systems for distribution of orders, quality and financial controls, banking and payments.

In 2006 The Body Shop was sold to cosmetics giant L'Oreal. The L'Oreal Foundation in Mexico has been funding the cooperative to develop a livelihoods diversification programme with a particular emphasis on environmental protection. The women have been supported to purchase chickens and sheep, produce organic fertilizers and grow vegetable gardens, construct water storage tanks and improved wood-burning stoves.

Country Contextual Analysis⁹³

Partners pointed to a lack of state support for small-scale agricultural production in Mexico as a key challenge. According to Ya Munts'i B'ehña, the Mexican government's response to rural poverty has been to give poor families conditional cash transfers (through the programme *Oportunidades*), but this has only stimulated consumption rather than supported the creation of sustainable livelihoods.

Ya Munts'i B'ehña reports that the prevailing situation of poverty and food insecurity in the Valle del Mezquital, where they are located – and throughout the country in general – has multiple connections with international policies in that it is linked to the global food price crisis which, in their view, has resulted as much from commercial and financial speculation in global markets as from climate change.

Many of the women in the cooperative are female heads of household. Mass migration to the USA since the 1980s left many of the rural communities with a predominantly female population. During the 1990s, remittances from those living in the USA were reported to be the second most important source of income to Mexico, after oil. Now, because of the global economic crisis, the remittances have dried up and many of the women and their families are wholly dependent on the money from the sales of scrubs.

During the project, the cooperative identified two key challenges: one is the dependency on a single key buyer; the other is how to ensure rotation of leadership roles from a relatively small pool of members who are willing to run for election. Many of the women have had limited schooling and there are low levels of literacy.

93 Source: "The Organizational Experience of Ya Munts'i B'ehña: Indigenous Mexican Women Weaving their Own History." Mexico: Ya Munts'i B'ehña and Ñepi Behña, 2011.

Appendix 8: Principles of Fair Trade

In 2009, A Charter of Fair Trade Principles was adopted to provide a single international reference point for Fair Trade through a concise explanation of these principles and the routes by which they are implemented. The creation of this Charter was a significant achievement, articulating a shared vision of a world in which justice and sustainable development are at the heart of trade structures and practices, leading to greater equity and reduced poverty. The full Charter is available at http://www.fairtrade.net/fileadmin/user_upload/content/2009/about_us/documents/Fair_Trade_Charter.pdf.

Here is a summary of the principles⁹⁴ that the World Fair Trade Organization (WFTO) requires its members to follow in their day-to-day work.

Principle One: Creating Opportunities for Economically Disadvantaged Producers

The organization should have poverty reduction through trade as a key part of its aims, and support marginalized small producers to enable them to move toward economic self-sufficiency and ownership. The organization must have a plan to carry this out.

Principle Two: Transparency and Accountability

The organization is to be transparent in management and commercial relations, and accountable to all stakeholders. It should enable employees to participate in decision-making processes and be respectful of the sensitivity and confidentiality of commercial information supplied.

⁹⁴ For the complete text of these principles, see the WFTO's website at http://www.wfto.com/index.php?option=com_content&task=view&id=1506&Itemid=293.

Principle Three: Fair Trading Practices

The organization trades with concern for the social, economic and environmental well-being of marginalized small producers and does not maximize profit at their expense. The organization and suppliers demonstrate professionalism and adherence to commitments and contracts. Long-term relationships based on solidarity, trust, mutual respect and communication are maintained to contribute to the promotion and growth of Fair Trade.

Orders are paid on receipt of documents and according to guidelines. An interest-free pre-payment of at least 50 per cent is made if requested. Where Southern Fair Trade suppliers receive pre-payment from buyers, they pass this on to the producers/farmers. Buyers consult with suppliers before cancelling or rejecting orders, and where there is no fault of producers or suppliers, adequate compensation is guaranteed for work done.

The organization maintains long term relationships based on solidarity, trust, communication and mutual respect, contributing to the promotion and growth of Fair Trade. Parties involved in trading relationships seek to increase volume, value and diversity of trade as a means of growing Fair Trade/incomes for the producers. The organization works cooperatively with the other Fair Trade Organizations in the country and avoids unfair competition or duplicating designs of other organizations without permission. Cultural identity and traditional skills of small producers are recognized and promoted.

Principle Four: Payment of a Fair Price

A fair price is mutually agreed by all through dialogue and participation, provides fair pay to the producers and can also be sustained by the market. Where Fair Trade pricing structures exist, these are used as a minimum. The principle of equal pay for equal work by women and men is taken into account. Fair Trade marketing and importing organizations support capacity building, to enable producers to set a fair price.

Principle Five: Ensuring no Child Labour and Forced Labour

The organization adheres to the UN Convention on the Rights of the Child, and national/local law on the employment of children. The organization ensures there is no forced labour in its workforce and/or members or homeworkers, or in the case of buyers, by the producers or intermediaries.

Involvement of children in the production of Fair Trade products (including learning a traditional art or craft) is always disclosed and monitored and does not adversely affect the children's well-being, security, educational requirements and need for play.

Principle Six: Commitment to Non Discrimination, Gender Equity and Freedom of Association

The organization does not discriminate in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/Aids status or age. The organization fosters women's equal involvement and compensation – including re-evaluating work done by women to ensure it is not undervalued – and takes into account the health and safety needs of pregnant and breastfeeding women.

The organization respects the right of all employees to form and join trade unions of their choice and to bargain collectively. Where these rights are restricted by law and/or political environment, the organization will enable means of independent and free association and bargaining for employees. The organization ensures that representatives of employees are not subject to discrimination in the workplace.

Principle Seven: Ensuring Good Working Conditions

The organization provides a safe and healthy working environment for employees and/or members. It complies, at a minimum, with national and local laws and ILO conventions on health and safety, hours of work and conditions.

Fair Trade Organizations are aware of health and safety conditions in the producer groups they buy from and seek to raise awareness of and improve practices.

Principle Eight: Providing Capacity Building

The organization seeks to increase positive developmental impacts for small, marginalized producers through Fair Trade and to develop the skills and capabilities of its employees or members. Organizations working directly with small producers help them improve their management skills, production capabilities and access appropriate markets.

Principle Nine: Promoting Fair Trade

The organization raises awareness of the aim of Fair Trade and of the need for greater justice in world trade through Fair Trade. It advocates for Fair Trade according to the scope of the organization and provides customers with information about itself, the products and the producer organizations or members. Honest advertising and marketing techniques are always used.

Principle Ten: Respect for the Environment

Producers maximize the use of raw materials from sustainably managed sources in their ranges, buying locally when possible. They seek to reduce energy consumption, greenhouse gas emissions and their environmental impact. Buyers and importers of Fair Trade products give priority to products made from raw materials from sustainably managed sources with the lowest environmental impact. All organizations use recycled or biodegradable packing materials if possible, and goods are dispatched by sea wherever possible.

Appendix 9: Letters from Fair Trade Networks to Prime Ministers or Presidents

When, at the WIEGO Mombasa Dissemination, Learning and Sharing Workshop, the MDG3 Fair Trade for Women Producers Project partners were asked to summarize their top five policy priorities in letters to their Presidents or Prime Ministers, this is what they wrote:

If the leader of the country was standing in front of me I would be asking him to help us have access to markets because if I make many products and keep them at home I do not benefit from that. But if I get access to a market I am encouraged to keep working.

We need access to roads. People who might be interested in our baskets can't reach us because of poor access. Specifically the roads are not safe where I come from.

We want storage spaces where we can store our products because we have to travel long distances - that would make our work easier.

We would also ask for loans to access raw materials more easily. We just need liquid money to access money for materials to make our products.

Again I think we need representatives in government who understand our problems. We ask for equal rights and equal job opportunities. We feel it is unfair for men to always be in the forefront and women in the back ground.

From the Kenya Federation of Alternative Trade (KEFAT)

Our policy asks are these:

5 priorities for improving our market access

Improve, update data-base of informal workers in their clusters for proper planning that will make everything well. In Uganda plans are not made from the grassroots. Especially our government does not plan from the grassroots, they start it "up". It is debated in parliament but improving on it does not take place.

After the data base line, we want the PM to formalize informal groups – to know the groups that really need help from the government.

To know how many groups and their needs and after knowing, to simplify, redesign and sensitize/disaggregate the policies for the beneficiaries to understand. The government to simplify and redesign to sensitize these groups to know that they are known and they are going to be helped in such a way so that they may get up with their finances – and uplifted as women in their standard of living.

Establish gender focal points or a department to ensure that issues related to gender are mainstreamed.

After sensitization, these groups will know what the policies are. The groups will then go with their problems (export, etc.) to the gender focal points.

To carry out impact assessment of the policies designed above. The impact should be followed. E.g. in our country there are very many policies but in the end they do not do well because the government does not follow steps to the grassroots. We had a policy to help primary schools. This programme has not worked well. The government thinks it is but it is not. So maybe before carrying out another programme, they have to know the programme they have introduced is reaching the grassroots – but our government just brings other programmes without knowing whether the earlier ones have helped the grassroots. Some have only helped "big" people but the government does not know this.

From the National Association of Women's Organizations (NAWOU), Uganda

To remove all taxes and duties chargeable for products from Zanzibar to Mainland. Products from Zanzibar are charged tax when they are sent to mainland (and the other way round). Free trade without obstacles.

To remove royalties fees charged on baskets when exported as there is no fairness and justification.

The government officially to recognize the women in the informal sector. Women being used as a tool during elections. Informal groups are "recognized" but the motive is to get their votes. Once the election is over, the women are forgotten.

The government to introduce special funds that will be used as working capital to women in informal sector. This is a major problem for women. Other governments do this. We request the president to recognize women in informal sector and set aside funds for them.

To include women to participate as partners during inception and implementation of policies, programmes and agreements which affects business done by women. Women are targets of policies etc but they are not partners. But women are not aware. They are not given the opportunity to air their views. If you are going to succeed in anything, you need to involve the stakeholders. If you don't the project is likely to fail.

From the Tanzania Fair Trade Network (TANFAT)

Respected Prime Minister Dr Manmohan Singh,

On behalf of 100,000 producers, 81 organizations under the banner of Fair Trade Forum-India, we the Fair Trade organizations would like to inform you that in a recently concluded international seminar on "Fair Trade for Women Producers" convened by WIEGO, we have decided to bring to your kind attention the following 5 urgent needs of the informal women producers in India:

Tax exemptions for all women-based organizations, products made by women and natural raw materials.

Appoint a committee in the Planning Commission comprising of women from women-headed/based NGOS and NAG for trade policies, etc.

Identify the size/diversity of the women in the informal sector through the recently held consensus and DICs.

Provide IDs to them and link them to health, life insurance, pension, etc.

Offer special scope for public and private procurement from women-headed enterprises, organizations, Fair Trade organizations.

Finally we request you to be the good-will ambassador for women in the informal sector by formulation of a national policy for women in the informal sector and

BE THE WORLD'S FIRST GENDER SENSITIVE PRIME MINISTER!!

From the Fair Trade Forum - India

These are our recommendations for policies that we seriously need.

We are really struggling to get raw materials – that is why we need to invest in technological development. There should be a policy that encourages sourcing/ using/developing appropriate technology to develop the local raw material base for sustainable development.

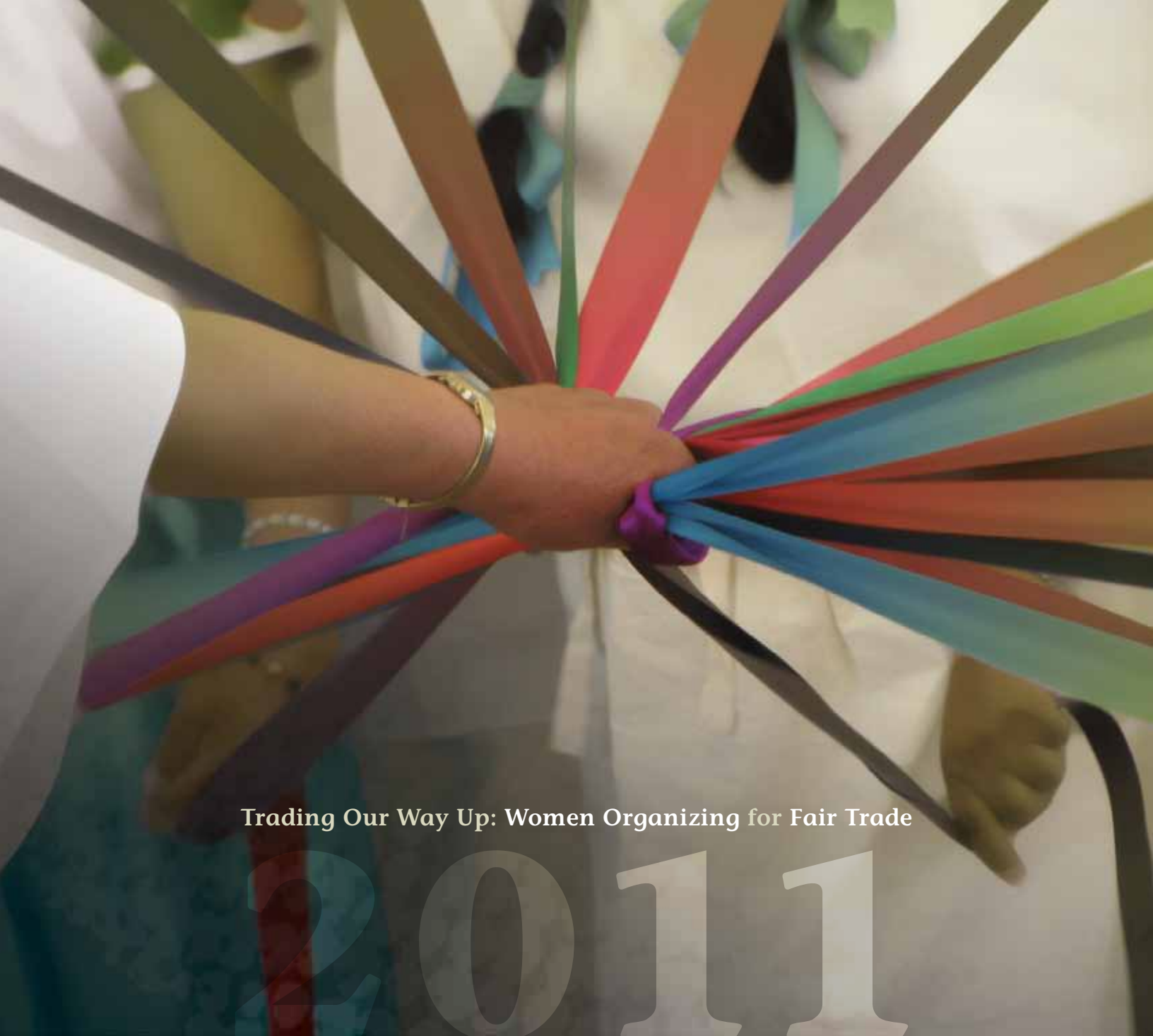
Subsidies are needed for alternative energy such as solar energy to cope with the severe energy crisis in order to help producers continue their work. At the moment we are without electricity for 16 hours each day.

Social security should be improved for people at large (not just in the formal sector). Not much has been done so far.

Policy discouraging politicization of the labour force and to encourage productivity. In the Nepalese context, political uncertainty is extreme. There are two unions with two political parties. The unions are politicized and this makes life difficult.

Incentive for institutions (like hotels and offices) to buy “local” and Fair Trade, and export incentives (like all other South Asian countries) to help make our products competitive.

From the Fair Trade Group Nepal



Trading Our Way Up: Women Organizing for Fair Trade



Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global action-research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy by increasing their representative Voice through more and stronger organizations and their official Visibility through better statistics and research. The individuals and institutions in the WIEGO network are drawn from three broad constituencies: membership-based organizations (MBOs) of informal workers; research, statistical, and academic institutions; and development agencies of various types (non-governmental, governmental, and inter-governmental). For more information see <http://www.wiego.org>



Development Cooperation
Ministry of Foreign Affairs

Launched in 2009, the **Women's Economic Empowerment** project was funded by the MDG3 Global Fund by the Government of the Netherlands. Through the project, WIEGO and its partners were able to advocate for the needs of informal workers, especially women. The project seeks to promote the voice, visibility and validity of working poor women across different countries, sectors and issues in the informal economy. As part of this project, WIEGO's Global Trade Programme, in partnership with leading Fair Trade organizations in seven countries, initiated *Fair Trade for Women Producers* with a focus on documenting, analyzing and disseminating key success factors of fair trade by involving women producers in all stages of development.