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A New Kind of Middle Man: Looking at Fair Trade in Nepal

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A New Kind of Middle Man:

Looking at Fair Trade in Nepal

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Table of Contents

• Introduction.....	1
• Methodology.....	4
• Findings.....	7
○ An Overview.....	7
○ Profiles.....	9
○ Fair Trade in Nepal.....	12
○ Membership and Certification.....	14
○ Markets.....	19
○ Awareness.....	23
○ Cultural Shifts.....	26
○ Women.....	26
○ Child Labor.....	30
○ Environment.....	31
○ Urban versus Rural.....	34
○ Technology.....	36
• Analysis.....	37
• Conclusion.....	45
• Appendix.....	48
• Bibliography.....	49

Introduction

The discipline of Development studies has gone through an evolution of changes in its relatively short time in existence. It has, among other things, left a legacy of vocabulary that is used to define many international interactions. Ideas of the colonizing first world juxtaposed against the colonized third world have given way to notions of an industrialized West and North comprised of developed nations and a backwards East and South made up of developing countries.

Colonialism in the age of Imperialism left power and economic disparities across the world. The trends of colonial empires where the colonizer benefited from the exploited labors of the colonized did not vanish when imperialistic governments left their respective countries. The remains of this system of exploitation can be seen in modern global economics.

It is reductive to say that these are the only roles played by the groups but as it stands, the North and “West” portions of the world tend to do most of the consuming, while the South and the “East,” while consumers themselves, are overwhelmingly more involved in the production of goods than the North and “West.” China, Ecuador, Malaysia, India, and Puerto Rico are only a few of the many nations the tags on my clothes sport right now. Although I grew up reading those tags and then running to the globe to see where my clothes had come from, it is not often that the West really considers the manner in which the many things that fuel our culture of consumerism are made.

As a reaction to this trend, an idea called alternative trade appeared in the 1940's. It was a different way to look at the relationship between the industrialized North and West, and the exploited the South and the East. It saw a need for the redistribution of wealth, a balance across the globe, and sought to create such a balance through a different type of producer/consumer relationship that did not depend on exploitation to make it run. In the ensuing years, this idea took on a practical application, now better known as fair trade (WFTO, 12 November 2009).

Since 1946 when the first crafts were brought from Puerto Rico to the United States to be sold in the name of this new producer/consumer relationship giving market access to those who otherwise would not have it, thousands of organizations have sprung up to become part of this trend of conscious consumerism. In 1989, the need for a global organizational body was recognized and the International Fair Trade Association (IFAT) formed to serve as a body for coordination between producers, consumers, support organizations and regional or local coordinating organizations. With over 350 member organizations, IFAT, or as it was renamed in 2009, the World Fair Trade Organization (WFTO), boasts the largest international membership of any fair trade group in the world and has become a leader in fair trade promotion and visibility (World Fair Trade Organization, 13 November 2009).

Though many organizations have definitions of fair trade, the WFTO definition has become the most recognizable. It says that fair trade is “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.” The ten standards of Fair Trade, with which each member organization must comply, provide definition for these ideals. This list includes stipulations about labor conditions, gender equity, environmental considerations, and transparency to name a few. These same ten standards also serve as the monitoring system for membership in the WFTO (World Fair Trade Organization, 10 November 2009).

As well as its international network, the WFTO also has regional and local member networks. Nepal is a member of networks on both of those levels, the regional WFTO-Asia forum and its own national Fair Trade organization called Fair Trade Group Nepal, or FTG Nepal. Both of these networks have been helpful in the growth of fair trade in Nepal, and recently FTG Nepal has been recognized for its outstanding work in cooperation between member groups for the promotion of Fair Trade here (Sainju). This paper aims to frame a part of the situation of Fair Trade in Nepal, looking at its impact on culture and national development. Nepal as a country is rich in cultural tradition, but because of rampant political instability has been unable to provide basic necessities of life for many of its citizens. Fair trade could be helpful in addressing some of these needs. But what does fair trade really mean? How can it be sustainable? Is it doing everything it is

intended to do in a good and “culturally appropriate” way? Are all of its intentions what they should be? As with all programs meant to aid in development, fair trade has flaws, and a critical analysis of fair trade and its impact on and in Nepal is needed to address them along with the positive progress it has made in the cultural context of Nepal.

Methodology

Two primary methods of research were used in the completion of this project. Firstly, a variety of primary sources were used in the form of formal interviews: store managers, executive directors, producers, and others who would talk to me about their views on fair trade. They often began as structured interviews, but based on the information my sources were interested most in telling me, I was often flexible in my questions, a general outline of which may be found in Appendix I. Secondly, I was able to use some very valuable secondary sources—publications from the World Fair Trade Organization (WFTO), and also background information on the organizations themselves. As my work focuses on the present of Fair Trade in Nepal, my primary sources were the most inspirational as well as the most interesting; however, I could not hope to do a well rounded project without the supplemental information provide by secondary sources.

Fair trade has been in practice for enough time that the novelty and intoxicating quality of innovation has worn off, and now issues of real weight are arising. The question now is, what are the big questions we need to ask? As a member of the concerned public, a huge part of what makes fair trade possible, I

am striving to do that in the context of Nepal. Nepal is a budding country with possibilities for development, and fair trade is among them. Already Nepal is being recognized internationally for its work in fair trade and cooperation between fair trade groups under the banner of WFTO. The WFTO is by no means all encompassing of fair trade in Nepal or in the world, but in my research I have found that its definition of fair trade is the most clear and thoughtfully laid out and so I chose to examine WFTO member organization in Nepal through FTG Nepal. FTGN has already put a good network in place for its 16 members, and so choosing to work with these groups means that I am looking at similar groups that are maintaining the same standards. In this way I hope it is easier to see how organizations behave, the trends they exhibit, and how they have developed.

It is worth mentioning that there are other membership organizations present in Nepal, such as the Artisan Fair Trade Network Nepal, and groups working for similar goals. I was also able to speak with a producer group called Nepal Knotcraft Center, a group that is supported by the very first fair trade group called Ten Thousand Villages, but is not a member of FTGN. Because the circumstances of this exclusion are an interesting point to address, I will include this information—not as a point of comparison between groups that are and are not members of FTGN, but as a point of interest in understanding the entire picture of fair trade in Nepal.

The greatest obstacle to the fulfillment of my work as I would have liked to complete it has been time. Though I used my time wisely and well, the scope of what I would like to learn is still beyond the three weeks of data collection that

ISP affords. In that light, I will simply present what I have found and humbly suggest that Fair Trade is worth continued study to determine its potential for addressing developmental needs. Another obstacle worth mentioning is the general workings of Kathmandu. Though I love this city, the amount of travel time it requires to get around in it is sometimes absurd, but really a valuable part of this experience. But I do feel that it limited the amount of interviews I could commit to.

I have several outstanding biases that certainly affect my presentation of fair trade. Firstly, I believe very strongly in the positive impact of fair trade as a development theory. Before I came to Nepal, I was involved in fair trade promotion in my home community, and have happily continued this trend. This means that not only did I already think fair trade was worth supporting, but I also had an image of what it is, or should, be. With this in mind, I have tried to present the positive effects that are occurring in Nepal, as well as the challenges and sometimes not so rosy realities of the different sides of the issue. I will also do my best to represent fair trade as it is defined by various organizations before offering analysis. In doing so I hope to encourage the fair trade community to do all that it can to strengthen its resolve to become ever better.

I have also found that I am partial to traditional craft preservation. Though this hardly seems important, when discussing design development for the export market, it becomes a necessary bias to be aware of. It is my bias that traditional crafts add to the value of fair trade, and my fear that adding modernization into process or design might cause the artists to just become better paid producers for a

consuming West/North and reduce, yet again, our producer/consumer relationship to simply the items we both have touched and the items themselves into a casual commodification of culture.

Findings

An Overview

Traditionally, economic relationships in Nepal have included three actors: producers, consumers, and the middlemen. Producers with limited market access sell their goods to a middleman who would then take the goods to the market and sell them to the consumers there, creating a profit margin for himself. This quickly became a system of exploitation, as producers are not only limited in market access but also have limited access to people willing to take their goods to the market. This puts the middle men in a position of power, where they can ask whatever price for the goods they wish, driving it lower, paying the producer less, and selling it for whatever they wish at the market, increasing their own profit margin (Chitrakar, Anil).

Fair Trade in Nepal strives to be a new kind of middleman between the marginalized producers of the villages and the consumers, in both the domestic and international markets. By providing producers with market access and paying them a fair wage for their labor, and investing in their futures by providing additional services for health care and education, Fair Trade is working to bring greater economic empowerment to areas and peoples historically sidelined. In so doing, a better balance can be brought to the wealth distribution in Nepal and on an international scale.

For these reasons, Fair Trade targets socially, physically, or economically marginalized producers. According to Sabina Maharjan, Program Officer for Fair Trade Group Nepal, a marginalized producer is a producer who is not able to fulfill their basic needs. In Nepal, this means, for example, that they are unable to earn the minimum daily wage of NRS 150. Even if one member in a family is earning this, it is not nearly enough. Another measurement of marginalization would be if the individual was not receiving opportunities to earn income—in villages farming sometimes is not enough and they need another way to make ends meet. Physical marginalization can take many forms, but could mean anything from deafness to a loss of a limb—any physical ailment that mainstream employers would not work with (Maharjan, Sabina).

Different organizations go about providing for their producers in different ways. I was able to speak with staff from seven different Fair Trade organizations in Kathmandu (Association for Craft Producers (ACP), Bhaktapur Craft Printers (BCP), Janakpur Women's Development Center (JWDC), Mahaguthi, Manushi, New SADLE, and Sana Hastakala) and the in country coordination organization for the WFTO, Fair Trade Group Nepal (FTGN) and see how these different issues are being addressed. ACP is able to offer a variety of programs beyond what is outlined in the ten standards of Fair Trade, through a Producers Welfare program. This comprehensive program includes an education allowance for two children, paid maternity and paternity leave, and a producer saving program among many other emergency and incentive programs (Association for Craft Producers, 2007). New SADLE offers free schooling, health care, medicine, and

day care to their producers on top of the fair wages they provide as per their membership in FTGN. All of their producers are suffering from Leprosy or Polio, or are married to a patient (Dhital, Maskey). Other organizations, like JWDC, simply do not have the expertise, capacity, or infrastructure to try to support these types of programs and can fulfill the ten standards of Fair Trade for their producers (Poudel).

Profiles

Each individual I was privileged to talk to was incredibly helpful and informative. I will give a brief description here of each organizations background to provide some context for my later observations.

Association for Craft Producers (ACP) was founded as an NGO in 1984 and is a founder member of FTG Nepal. According to the FTG Nepal member profile from 2007, they employ more than 1200 producers, 90% of whom are women, and 60 full time staff. Their annual turnover from 2007 was over NRS 83 million, 75% of which was export, 25% domestic. ACP has a showroom in Kupondole called Dhukuti and an office and production complex in Kalimati. I was able to speak with Revita Shrestha, Programme Director, and Shradtha Thapa, Assistant, at their offices, and was fortunate to speak with Sudha Maharjan, Program Manager for Kirtipur Weaving Group—a producer group working with ACP, and a few producers in Kirtipur, Saraswoti Maharjan and Chandra Kumari Maharjan, and other producers in Kalimati as well, Nirmala Subedi and Mamta Jha (Fair Trade Group Nepal, 2007).

Bhaktapur Craft Printers (BCP) was founded in 1981 by UNICEF as a community Development Project. As of 2007 they employed 78 artisans and 78 staff with an annual turnover of slightly over NRS 20 million, 80% export and 20% domestic. They have offices and a paper production area located in Bhaktapur Industrial District. Their products are sold through Sana Hastakala, Mahaguthi, and a few other independent buyers in Bhaktapur. I was able to speak with Jyoti Sthapit, Administration and Production Manager (Fair Trade Group Nepal, 2007).

Janakpur Women's Development Center (JWDC) was founded in 1989 by an American named Claire Burkert. As of 2007, they employed 47 female artists and 6 male staff with an annual turnover of NRS 1.5 million. All exports were conducted through Sana Hastakala and Mahaguthi. As both their offices and production centers are in Janakpur, I spoke with Bimal Poudel in Kathmandu (Fair Trade Group Nepal, 2007).

Mahaguthi, Craft with a Conscience, was established in 1984 by Tulshi Mehar Sthrestha as an organization which now supports the Tulshi Mehar Magila Ashram, a center for destitute women, with 40% of its earnings. It supports 90 producer groups from all over Nepal, and employs 40 staff with an annual turnover of NRS 51 million, 84% export and 16% domestic. Mahaguthi has two showrooms, one in Kupondole and one on Lazimpat. I was able to speak with Samir Chhetri and Nito Ghale, both store managers, and Sunil Chitrakar, Executive Director (Fair Trade Group Nepal, 2007).

Manushi was established in 1991 as a research organization determined to gather reliable data about the condition of women in Nepal and is now an NGO working for the economic empowerment of women. They employ 32 full time salaried producers, 8 full time staff and work with 400 producers from all over Nepal. For 2007, their annual turnover was NRS 23 million, with exports making up 98% of the sales, domestic 2%. I was able to speak with Padmasana Shakya, their Executive Chairperson, in their offices in Gyaneshwor (Fair Trade Group Nepal, 2007).

New SADLE was established in 1997 with the goal of helping Leprosy and Polio affected people. They run 3 rehabilitation centers, a school, production units, an old age home, and day care centers and hospital/clinics for their producers. They employ 110 staff that includes teachers, Medical and other staff, as well as 650 artisans. Their annual turnover in 2007 was nearly NRS 30 million, exports 90.4 % and domestic 9.6%. I was able to speak with Rena Maskey, Administrative and Financial Director, and Hari Krishna Dhital, Production Manager, in their office compound in Kapan (Fair Trade Group Nepal, 2007).

Sana Hastakala was formed in 1989 and has 80 producer groups representing 1000 artisans as well as 18 staff. Their annual turnover in 2007 was NRS 32 million, exports accounting for 70% and domestic 30%. Sana Hastakala has a showroom in Kupondole, as well as some on site quality control and production areas. I was able to speak with Rohini Shrestha, Shop Manager (Fair Trade Group Nepal, 2007).

Fair Trade Group Nepal (FTGN or FTG Nepal) is the in country coordinator of WFTO members. It works to promote and advocate Fair Trade in Nepal. Their office is located in Kupondole, and I was able to speak with Sunil Sainju, Executive Director, and Sabina Maharjan, Program Officer (Fair Trade Group Nepal, 2007).

The mission of FTGN, as they manage the in country members of WFTO, is to “promote fair trade and provide support to like-minded organizations contributing towards sustainable livelihood at grass-roots/local level through fair trade focused enterprises” (Fair Trade Group Nepal, 2007). Among their many objectives outlined to do this, they have four major program areas: the Promotion of Fair Trade, Capacity Building of BSO’s, Enterprises and Producers, Fair Trade Monitoring and Assessment, and Research and Development.

Fair Trade in Nepal

In 1993, Oxfam began facilitating dialogue between NGO’s in Nepal who were focused on similar issues of economic empowerment, but were at that time competitors. As dialogue continued, they decided that this strengthening partnership was a great benefit to their joint mission and in 1997 Fair Trade Group Nepal (FTGN) formed and registered under WFTO. Together, they found, they were more visible and effective in promoting Fair Trade for Nepali producers and artisans. Gradually, the NGO members have become WFTO members as well (Chitrakar, Sunil).

FTGN is internally structured with a general body, and executive board, as well as general assembly. The Assembly meets once a year, while the executive

board meets at least once a month. They are responsible for membership, member services, advocacy, and take on direct projects for community groups. This often means that they work with community and producer groups to give trainings, skill up grades and assistance with market linkage and networking (Sainju). These programs have been extremely beneficial to the member organizations. Sabina Maharjan, Program Officer for FTGN, feels that the member groups are assets to one another. As part of FTGN, they are able to share strengths, weaknesses, problems etc and help each other. “This is different from how it worked before where they were groups in competition,” she explained, “much like other corporate groups where such info would be kept secret” (Maharjan, Sabina). Before FTGN, there were no Fair Trade groups, at least not by that name, reflected Padmasana Shakya, Executive Director of Manushi, a founding member of FTG Nepal. The founding organizations were practicing the fair trade principles at that time, but did not know that there was an international understanding of the need for those principles to be carried out practically. With the advent of FTGN, export and domestic market networks have expanded greatly, and allowed for a growth in sales (Shakya).

A simple break down of the system is as follows. A Fair Trade organization, member of the WFTO, meaning that they adhere to the 10 standards of Fair Trade, sets up relationships with producers. This can be done in a number of ways—for Mahaguthi, producers are independent agents, able to sell to other buyers as well (Chitrakar, Sunil), whereas for New SADLE, each producer is employed and is an equal shareholder in the organization (Maskey). In some

cases, producers are not only parts of a group like New SADDLE, but then also sell to Mahaguthi and Sana Hastakala; other times are producer groups made up of a few women in villages. Generally speaking, in home production is highly encouraged. Buyers come from abroad, and will collaborate with their providers on designs for their particular stores, or bring a design to be made, figuring out what the season is going to look like. Sometimes member organizations will have a design studio (ACP) and they will make prototypes there for buyers to look at. These designs are then given to producers who will sometimes come in house to receive training or pick up raw materials for the project (Thapa). If the design is more complicated, then they may have to prove their competency in making a quality item before they are given raw materials. After the items are completed, they are brought back to the organization, and shipped to buyers. If they are for the domestic market, than they are taken to showrooms for distribution (Shrestha, Rohini. Shrestha, Revita).

Membership and Certification

Among the successes of FTG Nepal, there are still challenges to be dealt with. One in particular has to do with membership monitoring. To be a member of the WFTO, or FTG Nepal, an organization must demonstrate that they are compliant with the ten standards of Fair Trade outlined by the WFTO. The ten standards include creating opportunities for economically disadvantaged producers and supporting the poorest producers; transparency and accountability—dealing fairly and openly with trading partners; capacity building—developing the skills of producers and creating opportunities for

trading their products; promoting Fair Trade—telling as many people as possible about Fair Trade and informing customers where products have come from; Payment of a fair price—ensuring that producers receive a fair price for their products; gender equity—providing equal pay and opportunities for women and men; working conditions—ensuring that producers are working in a healthy and safe place; child labor—ensuring that the UN Convention on the Rights of the Child is respected; the Environment—ensuring that materials used in production and packaging do not damage the environment; trade relations—maintaining long term relationships with concern for the social, economic and environmental well-being of marginalized small producers with pre-harvest or pre-production advance payment to producers whenever possible (Fair Trade Group Nepal, 2007). This compliancy is monitored by a yearly membership renewal and submission of all financial records and biannually through a Self Assessment released to both the WFTO and FTG Nepal. Rena Maskey, Administrative Manager for New SADLE, is pleased with FTG Nepal’s efforts. “They’re doing quite well,” she says, because their emphasis is on transparency, a key part of what makes Fair Trade trustworthy (Maskey).

Sabina Maharjan, Program Officer for FTGN, described to me her interactions with prospective members. She said that they have a membership info session, describing what FTG Nepal stands for and the requirements for membership. Often, there are businesses from Thamel who attend. More often than not, she said, they don’t contact FTGN again about having an audit, or a visit, or any of the initial check processes for becoming a member done. “I don’t

know why they don't call," Sabina said, "Maybe they couldn't be transparent in their business." The value that Fair Trade has for them is not even in the domestic Thamel market, but in the international sphere, where many more buyers know about Fair Trade and what it means (Maharjan, Sabina).

In addition to membership in an organization, there are also certifications that recognize Fair Trade products. Internationally, there are two main types of Fair Trade products: food and handicrafts. For foods, the FairTrade Labeling Organization (FLO) exists to certify food products as fair trade (FairTrade Labeling Organization). If the food's production meets the standards for certification, a label is put on the product itself, so no matter where it is sold, a fair trade price will be paid. Presently for handicrafts, there is no such label. World Shops that are members of the WFTO are able to put the WFTO logo on their stores and literature, signifying that all products sold inside are fair trade, but no system yet exists for labeling the actual products themselves.

Presently, the WFTO is developing such a system. Called the Sustainable Fair Trade Management System (SFTMS), it is designed to be

"the new worldwide Standard for the independent certification of organizations which demonstrate Fair Trade Business practices...SFTMS is a dynamic and integrated approach for the certification of production, trading and communications. This new worldwide standard framework complements the existing Fair Trade product labeling approaches" (World Fair Trade Organization, 5 December 2009).

Right now, it is an unfinished document still under development and revision, subject to change without notice. It is copyright protected by the WFTO. This lack of certification for Fair Trade handicrafts creates an awkward, linguistic issue that in practice is quite significant; it does not make sense to be able to say that an

object is fair trade because it is sold in a particular store, but when it is not being sold there, it is not Fair Trade. It is the exact same product and was made under the same conditions but for some reason cannot carry the logo on itself. If this were possible, it wouldn't be necessary for a buyer to carry only FT handicrafts. This would give business a chance to begin to support FT by selling some FT products without having to commit to becoming a member of the WFTO, giving fair trade a greater market. These products would still be seen and sold as FT instead of having an ambiguity about them.

Another challenge that FTG Nepal faces is the difference between the size and age of its members. Although these groups are now engaged in "healthy" competition, it remains competition nonetheless. This is particularly observable between groups of very different sizes. Janakpur Women's Development Center (JWDC) is a small organization from the Terai area of Nepal. The culture of this area is known for an art form peculiar to the area called Mithila Art, or Janakpur Painting (Burkert et al. 2008). This small group has seen the principles of fair trade make a huge difference in their community, but now in the wake of the global recession, it is suffering. Bimal Poudel, director for JWDC, mentioned that in this light, JWDC does not benefit from FTG Nepal in the same ways that other, larger members do (Poudel).

JWDC does not have a show room of its own, and so the limited variety of products they do offer are sold in other FTG Nepal members showrooms, like those of Sana Hastakala and Mahaguthi for example. Even with this exposure, it has been increasingly difficult for JWDC to compete as other groups from

Bhaktapur choose to reproduce this style of art. This brings up questions about original design, and production of very regionally specific art by producers in other regions of Nepal, but JWDC feels the direct economic impact when reproductions are chosen over their art (Poudel). FTG Nepal has a good network of organizations that can help each other in a time of need, but the other member organizations also have choices to make about the products they place in their stores. They need to make choices that are good for their store, in terms of quality or product competitiveness so it is completely possible that Sana Hastakala, for example, could feel an allegiance to JWDC, but if their work isn't selling well, Sana Hastakala feels the economic impact. It may then be in their best interest to choose a more competitive, quality product. Herein lies a significant question about fair trade that needs to be addressed for it to be sustainable as a development practice.

The Charity Model is one that has dominated the implementation of development through donor reliant organizations like many NGO's. It is also a mentality—the giving of gifts of money or important items such as computers to organizations to further their goals. Though the principles of fair trade are working for the financial independence of their producers, and striving to move away from this model, the Fair Trade organizations in Nepal began as NGO's and many are still donor dependent. The mentality of giving items is also present in the consumer side of fair trade; it is important that consumers do not purchase fair trade products simply because they are fair trade, for the same reasons they would donate to a charity, but rather that they would buy because they need and want the

item, and are making a conscious effort to change their lifestyle to include ethical production. This is more sustainable, and the ultimate target market for fair trade.

This being said, fair trade also needs to move away from the charity model between their organizations, meaning a buyer cannot accept products to sell simply because they were made fair trade. Part of what will make this system more sustainable is working together so that the products are made well, but are also products worth the price put on them. The fair wages and benefits can follow only if product is marketable and not only because the producer is a member of a fair trade organization.

Markets

No matter how organized a member group is, or how excellent the producer's work is, if potential customers are unaware of the products available, or the impact of the method of production, than fair trade will not be successful. There are four WFTO member showrooms in Kathmandu, two belonging to Mahaguthi, one belonging to ACP under the name Dhukuti, and one belonging to Sana Hastakala. There is no officially collected data available for customer profiles, but in visiting the two showrooms belonging to Mahaguthi, I received estimates from Samir Chhetri and Nito Ghale, both long time staffs of Mahaguthi with over twenty years of experience between them. The shop that Samir works at is located in Kupondole, on the way to Patan, and he estimates that about 60% of the customers who come into Mahaguthi are *bidehsi*, or foreigners. This group he broke down further saying that 70% of that 60% are foreigners living in country and the remaining 30% are travelers. The other 40% are Nepalis who come to

decorate their houses, or buy wedding gifts (Chhetri). Nito Ghale works in the showroom on Lazimpat, and thinks that about 90% of her customers are tourist, 5% diplomat, and 5% Nepali (Ghale). The differences in these numbers have a number of variables effecting them, including placement of the shops, demographics of the area, personal bias, etc, but either way, it is clear that the main group of people purchasing fair trade are foreigners—whether they be traveling through or residing in Nepal. This follows the trend seen by the break down of sales from the 2007 FTG Nepal brochure—Fair Trade is mostly a Western/Northern driven market.

This needs to change for Fair Trade to be sustainable in Nepal. Although her estimate of Nepali customers was low, Nito says that in the last 14 years she has worked for Mahaguthi, she has seen more interest from Nepali's in Nepali, handmade goods. Perhaps, she wonders, they know more about fair trade also (Ghale). There are several factors at work in the level of awareness about fair trade in the domestic market. Two that prominently surfaced in my research were economic changes and cultural norms.

With the global recession, business big and small around the world have suffered. Nito explained that this has hurt Fair Trade in Nepal even more because of a prevalent idea about the affordability of handicrafts. Many Nepali's are under the impression that they are very expensive. She realizes that they are pricier than “mainstream” goods, but they are not nearly as expensive as people think. Even so, this makes it difficult to encourage Nepali's to come into the stores, not to mention that many of them think of the stores as for *bideshi's* (Ghale).

An interview with Mina Rana served to confirm this. Mina lives near Kupondole but was introduced to Fair Trade by her foreign friends. Now she buys gifts for foreign friends and Nepali friends living abroad at the Fair Trade showrooms on Kupondole, as well as furnishings for her own home. But these choices are not quite easy, she says, because things are more expensive there than in the market, particularly for mid to low caste Nepali's. Also, the domestic market tastes are leaning towards imported goods. Machine made products are valued over handmade items. Most of Mina's Nepali friends living in Nepal do not appreciate what is offered in the shops—the taste in product lines is completely different, and many of the items appear “cheap” because they are handmade. Slight differences in coloring that may make an item unique to one consumer, make the product far too expensive for its unrefined condition (Rana). The local markets are also flooded with cheap goods from China, and so for a population that is largely unaware of the impact a consumer choice like Fair Trade makes, it makes no sense to buy a “cheaply made” product for much more than they would another product of more value to them (Maskey). It is hard to convince Nepali's that buying Fair Trade goods is actually an investment in their own future and the future of their nation when money is tight and there are seemingly better options.

The difficulty of balancing the two vastly different types of domestic markets is a challenge to the growth of Fair Trade in Nepal. Nepali consumer culture focuses on what is needed. In the many Nepali homes I've visited, there is a distinct lack of “stuff” and superfluous decoration. Artwork, in a similar way,

does not have the same following of “cultural appreciation” as it does in the West. Many of the items sold in the showrooms in Kuponhole have a distinct and unique quality to them—values that have a place in the West, and a far smaller one in Nepal. How can Fair Trade, an idea that relies on purchasing things—even if some of them are practical—thrive in a place where those things are not valued?

There is a growing interest in them, says Nito. More and more Nepali’s are beginning to look to goods made in Nepal as a sense of cultural pride. With the identity politics that are playing such a huge role in Nepali society these days, Nito has seen a shift towards valuing products that are made in Nepal. Keeping this money in Nepal by buying Nepali products instead of imported ones can only help the economy as well (Ghale). Samir looks at the domestic Nepali market as the “most interesting and most sustainable” market, compared to the export market. Although the export market accounts for the majority of sales and income, without a stable domestic market, it will be continuously hard to keep the showrooms open and sustain the work that is being done (Chhetri).

Sunil Chitrakar, Executive Director of Mahaguthi, described the need for a strong domestic market by illustrating the difficulty of the export market. He described a European style coffee shop that opened up recently in Kuponhole. Because he has traveled abroad, he has seen how coffee, particularly espresso, is served in this kind of environment—with a small cup and saucer. Coffee culture is not part of everyday Nepali culture and so when they serve espresso, it is no wonder that they serve it without the saucer. It may be inconsequential, espresso without a saucer doesn’t effect how good the coffee tastes, but it is an important

demonstration of the gap between domestic Nepal and the international market (Chitrakar, Sunil).

Finishing his story, Sunil then asked what this means for fair trade. If a coffee shop can't figure out that espresso is served with a saucer, how could a Fair Trade NGO hope to be up to date on the changing tastes and trends of the international markets? Not only one, but also the differing tastes from North America, to Europe, to Oceania and Asia? The need for a strong domestic market is clear when the tastes of the international market are so volatile and so far away. Information about trends and styles is crucial to the creation of products that will sell well abroad, and often it is a struggle to get that data to Nepal in a timely fashion. Good buyer/producer relationships are helpful in working to remedy this situation, as invested buyers send designs, and orders, and sometimes even visit producers to help with skill and design upgrades, but even so, it is not an easy process.

Awareness

Another challenge to Fair Trade in Nepal is the awareness about what it stands for. Even though Mina shops at Dhukuti, Mahaguthi and Sana Hastakala, she admitted that she doesn't quite know what Fair Trade is. "All that I know is that it is 'good'," she says (Rana). Even this is a start, but one of the biggest obstacles to domestic awareness about fair trade is not even that people don't know what fair trade is—its that they don't understand that the issues fair trade addresses are even issues at all (Thapa).

Because of computers, the internet, and the fact that more kids in this

present generation have the opportunity to go school, Samir feels that fair trade is better understood and known about, at least in this youthful generation. A FTG Nepal initiative to talk to students of grades 8, 9, and 10 in the Little Angels School in Patan is hopefully reinforcing what they already know. Once, reflecting that it was great that FTGN was making the students aware of these issues, a student suggested that the organization speak to their guardians also (Chhetri). The youth who are aware of Fair Trade are important, as they will be able to make a different consumer choice now; however, the products in stores are not yet what they would buy. They aren't yet home makers (and so don't need home furnishings—a popular Fair Trade product line) and they have limited money so they're going to be less inclined to buy expensive things that aren't status symbols for their place in life.

Their parents however, as that student skillfully pointed out, are that market right now, but on the whole much more unaware about the issues that Fair Trade seeks to redress. Why is this? “Consumer awareness is low in Nepal,” says Sunil Sainju, Executive Director for FTG Nepal. He cites education as the cause. The overall level of education, even among producers, is low. And a good education can equal social awareness. One thing he laments though is that there is still another step to be taken. Social awareness means the most when it is connected to a lifestyle change. That is the key, and he doesn't feel that connection happens often in Nepal (Sainju). When the international WFTO conference was held in Kathmandu in May, media was vastly unaware of what was happening, let alone why. A rally was held from the Hyatt to Boudha, and

many people were left confused about the need for it. No one from the government attended the conference either (Maskey).

To combat this low level of consumer awareness, many actions can and are slowly being taken. Beyond visiting the Little Angels School, Rena emphasized the need for more exhibitions, but different from the “high level” one held at the Finland Embassy this November, she would like to see them be set up in the market places. Even if people don’t buy the products then, she says, they could be more aware of the options (Maskey). ACP advertises bi-monthly in several English magazines, and has a commercial on a popular women’s FM show. Institutionally, ACP has done decorative work for the Hyatt, Summit and Soaltee Hotels, and hopes to expand to restaurants (Shrestha, Revita). Mahaguthi expressed an interest to approach Buddha Air in the same way (Chitrakar, Sunil).

In addition to the public, FTG Nepal is working to get the attention of the government. Unlike countries like the United States who have tax subsidies for non-profit organizations, Fair Trade organizations in Nepal pay the same export taxes as any other business. Having only worked for FTG Nepal since March, Sunil Sainju says that this is his next project. “We can dream a lot but at the end of the day, we can’t do many things,” he says of how small FTG Nepal is, but working in the larger group, they have more voice (Sainju). WFTO Asia is writing up a regional strategy paper about tax benefits in Asia and describes what Fair Trade needs from their country governments. Tax benefits that would help them to be competitive in both the domestic and international markets. It would reduce the costs of their exports, and would also help prices to be lower

domestically so that the Nepali handicraft market could compete with the imported “Nepal” souvenir market in Thamel, for example (Sainju).

However, the government is afraid that the tax benefits would be exploited, that more people would then use the name “Fair Trade” to get to these tax breaks. Sunil relayed an anecdote about when he went to see the Finance Minister who looked at him and indicating his small staff of three, said “I just don’t have the man power to check on this.” There are other things the government could do to help as well. They could use Fair Trade products to decorate offices, and as official gifts—promotion and support by exposure (Sainju). It would not only support Fair Trade to use products for gifts and decoration, but also the traditions of Nepal.

Culture shifts

Three of the ten standards have to do with gender equality, child labor, and the environment—three concepts in Nepali culture that are undergoing norm shifts. For the majority of Nepalis to appreciate Fair Trade and what it can do for their country, they would have to first understand these issues that many in the fair trade community are so passionate about.

Women

Nearly all Fair Trade producers and artisans in Nepal are female. This could be for a variety of reasons: they are more skilled in some high demand handicrafts as those are considered more “women’s work,” more of them are unemployed or considered unemployable in other positions, they are targeted by Fair Trade organizations because of their marginalized status in Nepali culture

(Fair Trade Group Nepal, 2007). A mixture of these and other reasons, I suspect, is the cause for this demographic. Though progress has been made to change the second-class status of women in Nepal, the practices that cause that marginalization are still prevalent today.

Each staff member that I spoke with was extremely excited about what Fair Trade is doing for women in Nepal. Rohini could barely contain herself as she explained how Sana Hastakala was giving women opportunities (Shrestha, Rohini). Pride was emanating from Padmasana as she described the economic empowerment they receive through work with Fair Trade organizations (Shakya). In my visits to production sites in Kathmandu and Kirtipur, I was greeted by nothing but smiles from the women that I met, each one of them glad that they had a job, and so proud that their skills and work were being valued. Their work has given them agency in their communities and gained them respect from the male members of their families, particularly their husbands (Maharjan, Sudha).

Manushi was established first as an NGO to do research about the condition of women in Nepal. The seven founding women were all from educated backgrounds and had met at the university where they taught. During one of their initial projects, they had the opportunity to observe a transition in a rural area of the Terai. The Nepali government was facilitating a switch from food crops to a cash crop—cotton—as a developmental initiative for the area. In the four years of their study there, the women of Manushi watched as the women from the community changed from doing one kind of labor to another. They held discussions and asked how the women's lives had changed after the

“development.” They found that women were still working long hard days—14 or 15 hours a day, and that although their family might have more money, the women didn’t notice it, because as women, they were viewed as second class citizens, and never saw this money. The cotton hadn’t changed their social status at all. And that was what really needed the change (Shakya).

One woman in particular raised her voice and said that they needed a program that could generate income for women. It is common in Nepal for women to work and work and never see the money from their labors, which instead goes to line their husbands’ pockets. Not many women understood that they could have control over the money they earned (Shakya).

The women I spoke to at ACP reinforced this idea. Through a translator we spoke about how Fair Trade, working at ACP, had changed their lives. Mamta Jha, president of the trade union at ACP, said that before she worked for ACP, she had no idea about the issues of women’s rights, child labor, environmental impact, etc and that they could/should be addressed in this way (Jha). Nirmala Subedi also said that she is more aware of the rights she can and should have now. Before coming to ACP, she didn’t know that these issues were issues. Culturally, discriminations between men and women were accepted, unquestioned. “Now” she says “ we don’t take them naturally” (Subedi). Shradha Thapa works at ACP overseeing both administrative matters and production issues. She helped to translate these interviews and me to further understand the cultural context of their statements. “Women are exploited without knowing. Working hard, making cloth that is sold and never seeing that money because it lines the men’s pockets,”

she says, “We were not questioning these gender roles.” Now, however, things are different. With this new knowledge about their rights, women have been able to make choices that have bettered their lives (Thapa).

In Kirtipur, all the women are home based. They work at looms in their homes so that they can weave in their free time after working on the garden or farm, helping with their families, kids, etc. One weaver I spoke with (Sudha translated because they speak Newari), a woman named Saraswoti Maharjan, said that this work is good and she can use the money for her household. Without this work, she has no other source of income. She has been working with ACP for twenty years and is glad for her opportunity (Maharjan, Saraswoti). Another weaver, Chandra Kumari Maharjan, said that it was “good for her, because she can take care of her family and earn a very good amount” (Maharjan, Chandra Kumari).

Many people want to work for ACP because of the great benefits that are afforded to them. There is not enough work to hire more people, and the producers who are already working with ACP see this as an incentive to continue their work diligently, and learn more. “They are always wanting more work to do,” says Sudha. Because of the fair wage that they make, and the other benefits that they receive through ACP and FT, more and more husbands of women producers (weaving is womens work in the Newari Culture) are finding value in what their wives are doing. They can see the money that their wives are earning good money, quite comparable to what they themselves earn. The husbands are more inclined to give respect to their wives and see them as more than second-

class citizens; the women have raised their status in the home through their work. Some of their husbands have even begun to take on household responsibilities like cooking so that their wives can weave longer, or have begun to help by making bobbins for weaving. This is agency for the women, who otherwise are not treated as independent. They still have to ask their husbands permission to leave the house, have lots of tension associated with it, their mothers in law, etc, and so the educational programs that ACP offers also offer them a way to leave the house as well as learn about various issues that are important to know about—educational street plays, a yearly Dashain Party, programs to raise awareness about trafficking, rights of women, and child labor (Maharjan, Sudha).

Fair Trade has also taught women in Kirtipur what their work is worth. Beyond giving them economic empowerment, and self-confidence, they are also able to refuse job offers from other businessmen who will not pay them the full value of their work. Weaving is sometimes tedious and monotonous, but it is a skill, and to be a good weaver takes great patience and care. Even in times when there is no order from ACP to be filled, women in Kirtipur have turned down work from other businessmen: they would rather have work, but will not take work from someone who won't pay them what they are worth. No work from ACP is better than being exploited (Maharjan, Sudha).

Child Labor

Another common form of exploitation in Nepal that Fair Trade seeks to address is child labor. One of the ten standards dictates that organizations must respect the UN Convention on the rights of the child. FTG Nepal has interpreted

this as a strict ban on child labor. In asking whether the ten standards are written well for the cultural context of Nepal, I received some very interesting answers about the stipulation against child labor. Sunil Chitrakar, Executive Director of Mahaguthi, would say they are they are written well for the Nepali cultural context. They have more relevance in a country like Nepal, he says, for exploitation is easy and can be done (Chitrakar, Sunil). Samir Chhetri reminded me of another view of this standard. He explained that in many Asian cultures it is common for children to want to help support their families. When much of Fair Trade labor is done at home during free time for additional income, it would be culturally appropriate to have the kids help out if they choose. In Nepal, the long holiday time during Dashain and Tihar is particularly good time for this to happen. The issue is the definition: forced labor versus a helpful hand (Chhetri).

Environment

The environmental standard also needs to be addressed in Nepal. There is little social infrastructure to encourage environmental values—trash burning, for example, will remain a common occurrence and problem until a better system for trash removal is implemented. With an increasing awareness of how quickly global warming is affecting the Himalayan region in particular, Fair Trade groups in Nepal have become even more dedicated to working for environmental sustainability. The standard specifies that a priority should be given to the use of raw materials in production-- from sustainable managed sources, local ones if possible (Fair Trade Group Nepal, 2007). Recycled or easily biodegradable materials are used in shipment. None of the showrooms give plastic bags to their

customers, only paper. Products from Sana Hastakala include recycled sari silk scarves, and there has been a push for the use of more banana, bamboo, aloo (a local natural fiber), and lokta (daphne) fibers in their products, particularly as a replacement for imported wool (Maharjan, Subina. 17 November 2009).

Lokta has been restricted by the government because of its link to problems with erosion. Its widespread use in the Nepali Paper Industry has caused some areas to be overused—while the principle of harvest is to strip the bark from the trees to be made into pulp, a constant stripping of the same trees has resulted in their deaths, and because their strong root systems will no longer hold the soil, this has contributed to problems with erosion during the monsoon season.

Member groups of FTG Nepal, however, use community forestry to get their raw materials. These managed forests are harvested from on a rotation basis, so that enough time passes for the trees to recover before they are stripped again (Maharjan, Sabina). This system is much more sustainable for the environment, particularly for groups like BCP which use basically only this raw material (Sthapit).

Even with the encouraged use of more local raw materials, the vast majority of products are made from wool imported from other countries (Thapa). Yarn for scarves, hats and felting, cloth for bed spreads, curtains, and pillow covers—all of the raw material comes from India and New Zealand (Shrestha, Rohini). The group I visited in Kirtipur gets all their yarn from ACP who buys it from India through a middle, private business man. Sudha Maharjan expressed her frustration that because the price of the raw material was so high, it in turn

makes the price of their cloth uncompetitive. “The government is not helping to import things,” she lamented, “so the private businesses can put whatever price on it that they want. There is no checking mechanism” (Maharjan, Sudha. 29 November 2009)

Local raw materials are available, however. Nepal Knotcraft Center (NKC) is a private business run by Shyam Badan Shrestha that uses handicrafts like macramé to create products out of local raw materials. NKC is affiliated with an NGO she also founded called Natural Resource Development Centre (NRDC). The NRDC aims to “identify local nature-based resources, provide training, and ultimately commercialize the final products” (Natural Resource Development Centre, 2008). This organization has found at least ten different local fibers that are durable, and can be treated, in an environmentally friendly way, to be resistant to termites, fungus and humidity. NKC also uses recycled wood in their products (Nepal Knotcraft Center, 2008).

Shyam is incredibly passionate about this work and these fibers, some of which cannot be found anywhere else in the world. Used to make beautiful crafts, they can be used to give employment and economic empowerment to women—her ultimate goal (Shrestha, Shyam Badan). She feels as though this wealth of knowledge is going unnoticed, that its importance is being overlooked and the resources wasted. Their potential is incredible to bring employment to both men and women. Not only would these fibers create jobs to collect and treat them, but also their use would remove some of the dependency on other countries for raw materials.

Public concern for the environment is growing in Nepal, as evidenced by the number of solar water heaters, solar panels, increasing use of bio-gas and methane for cooking. Even tuk tuk's, a common form of public transportation in Kathmandu, are "going green" by becoming electric instead of diesel. On the other hand, much more seemingly basic changes, like trading plastic shopping bags for reusable ones, are making a slower debut and many of the plastic bags, as well as the host of wrappers from the growing number of disposable and individually packaged foods and imported items litter the streets. It could be that there simply hasn't been enough education or policy implementation on the part of the government, but I am inclined to believe that this is only a partial contributor to the neglect of some environmental issues and that a lack of affordable options to change patterns of environmentally harmful behavior contributes more to the use of these practices.

In addition to material resources for production, Fair Trade organizations in Nepal are working to make their waste less environmentally harmful. ACP has a wastewater treatment center at their compound in Kalimati. For quality control purposes, they do all of the yarn dyeing on site and so all of the water is easily collected. It is then put through a filtration system that removes 80% of the chemicals and waste before it is put back into the Bhagmati River. Recycled newsprint is the most common packing material for shipments (Thapa).

Urban versus Rural

Another challenge to Fair Trade in Nepal is distance. Many producer groups are from distant areas of Nepal, some groups are so remote that they can

only be reached after a bus ride and an additional three day walk (Ghale). For one interview, I traveled to Bhaktapur to speak with someone from Bhaktapur Craft Printers, LTD (BCP). In speaking with Jyoti Sthapit, their Administration and Production Manager, about the challenges that BCP faces, she mentioned that their distance from the other original city states of the valley, Patan and Kathmandu, has created difficulties for them. Some clients may not want to travel out to see the products and the production, a key part of most buyer visits to the country (Shapit). If you've lived in Kathmandu, or even Nepal, and have taken a form of transport other than a taxi, than you know what different meanings distance and transportation can take on, and how the many variables can change plans, and effect mobility and efficiency in a very short period of time. It's no wonder then that even the seemingly short distance from Kathmandu, the hub for resources, and Patan, the hub for handicrafts, to Bhaktapur creates some considerable difficulties for BCP. Bimal Poudel from JWDC also mentioned this issue. If the distance from Kathmandu and Patan creates difficulties for BCP, than it is clear that the distance to Janakpur has a considerable effect on their work (Poudel).

For those in remote areas, it is very difficult to produce a competitive product. The distance from information, and resources limits the type of products it is practical to produce that far away, and the knowledge and raw materials that are transferable to those locations. It is far easier for organizations in Kathmandu to gain access to resources than it is for groups in more remote areas of Nepal to do so. Ceramics, for example, are made in several locations in and around

Kathmandu Valley like Bhaktapur, but they are also made by organizations further away, like Janakpur. It is already difficult for Bhaktapur, but then extending this idea outwards to Janakpur, and beyond to the far reaches of the country, shows how the distance complicates the relay of information that improves products and processes, and creates disparities between those groups producing specific products from the city, and those outside the valley.

Technology

Another influence on Fair Trade in Nepal is technology. Sometimes it seems that technology and tradition cannot mesh. However, ACP has found a way to fit these two ideas together. They have realized that to keep up in the markets internationally, they have to improve their quality and product lines. One way they are doing this is by improving efficiency by mechanizing small tedious processes, like carding wool. With support from donors, they were able to purchase a carding machine and are now able to card more wool faster and with a better quality outcome. They have done a similar thing with dyeing and drying machines for their fabrics and wool (Thapa). At first glance, this seems as though these machines have taken jobs away from producers. In fact, they allow ACP to employ more producers whose paying jobs are enhanced by both the quality control provided by these machines, and the shortened amount of time it then takes to produce finished products—the means by which their pay is determined. The drying machines only take the place of the sun's labor. Before they had the machines, they used to dry fabrics and wool in the sun, but the sun would distort the colors or it might rain as they were drying and cause quality control issues.

Next, ACP would like to invest in a better kiln to improve the quality of their ceramics (Shrestha, Revita).

Revita was emphatic that they are not going “Corporate” but only employing technology that will allow them to perform their craft better, with more quality and efficiency, so as to improve their products, and therefore sales, and most importantly the quality of services they are able to provide their producers (Shrestha, Revita).

Sunil Chitrakar adds an important view on technology—“technology is there, its all up to us whether we use it or if we can use it effectively.” Mahaguthi can use technology minimally and to enhance existing skills, if it is used correctly. It sounded very much like they were trying to limit the use of technology in their works—otherwise the crafts would be far less like handicrafts (Chitrakar, Sunil). Often technology and tradition appear to be mutually exclusive but for Fair Trade to have the capacity to create more jobs through some basic mechanizations and improve the quality and marketability of their products.

Analysis

Spending my entire project time inside the Valley gave me valuable insight into the workings of Fair Trade here. But as defined by the WFTO, Fair Trade is designed to target the “most marginalized” producers and bring them economic empowerment. Because there are many more resources in the city, this criterion focuses on producers outside the city and also outside of the Valley. As both Bimal Poudel from JWDC, and Jyoti Sthapit from BCP emphasized, the distance from the city to more remote areas of the country is a disparity that Fair

Trade needs to address (Poudel, Sthapit). Most producers for FTG Nepal member groups are located outside of the city, but there are a large number of producers who work inside the city, and in nearby parts of the Valley, as well. ACP has a large production, design, and quality control unit in Kalimati, with a nearby production site in Kirtipur. Sana Hastakala and Mahaguthi both have producers in Thimi, and tailoring units within Kathmandu (Shrestha, Rohini. Chitrakar, Sunil). These close locations give these producers a competitive edge because of their proximity to information and resources. How can producers and artists outside the Kathmandu Valley produce competitive products, both against other in country producers and internationally, at a competitive price? Lack of information is a form of poverty, and so in a fundamental way, this issue of distance touches on one of the big questions for fair trade: which marginalized producers do you help? It is certainly possible that the more disadvantaged and marginalized producers are further outside the valley.

It seems to me that fair trade could make an impact on urbanization and the increase in urban poverty by reaching out specifically to producers outside of the Valley. If fair trade does its best to employ producers outside the city, not only are those producers provided with jobs, it begins to remove the reasons for rural poor to come to Kathmandu. Partly because of the Maoist insurgency, partly because of an increasing need for work, urbanization has become trend and therefore an important issue for Nepal (Chhetri). Fair trade could move more jobs out to the villages where they are needed desperately, bringing much needed money and agency to those communities. With an income, people have less

reason to move to the city to look for a job, and also don't contribute to the growing urban poor who need but cannot find a job in Kathmandu.

I have come across several instances where the definition of Fair Trade by the WFTO does not seem to fit quite right with the cultural context of Nepal. The definition specifies that “marginalized” producers are to be the focus of organizations, and while this is often a needed recognition, it can be a confusing and ambiguous description; child labor should not be used; and overall “Fair Trade,” as a definition, seems to be limiting to “fair trade” as a whole idea. Language is powerful and difficult to navigate, particularly when wading through several hundred of them as an international organization, but it is also clear that the language that Fair Trade is described in, no matter how carefully words have been chosen, is distinctly Western.

The stipulation about child labor can read this way. It specifically says that the group needs to comply with the UN Convention on the Rights of the Child. Nepal has both signed and ratified this document, but the difficulty is that with the political system in shambles as it is, and the terms the convention describing what actions “governments should” take, it is incredibly difficult for the Convention to be implemented seriously in Nepal by the government (UNOHCHR). In this light, there is a clear need then for children to be recognized and taken care of.

The consequences of children not being able to help at home seem small, but it could have a greater cultural impact. Many of the Fair Trade organizations in Nepal that I talked aim to make sure that traditional crafts do not disappear. Traditional crafts are passed down through the generations as the elder household

members teach the younger ones their skill and knowledge. With increasing numbers of children at school, there is less and less of this kind of exchange, both because of a lack of interest on the part of the youth and because of a lack of time spent together. Though education is important, without these holidays to encourage an exchange of skills, they may be lost more quickly.

It is certainly interesting to look at the child labor standard in this way, but there are two sides to this issue in the cultural context. The second is similar to the way women are viewed: discrimination against children and women through forced labor is culturally accepted. Many more children do not have the opportunity to go to school and are forced to work in generally poor conditions similar to the way it was in the early industrial period in America. In Nepal, however, bonded labor was legally accepted until a few years ago, and so although the question above is interesting and one worth addressing, it must be kept in balance with another equally if not more important trend in Nepali culture. Child labor is still not fully accepted as a social evil, and so the leap from forced labor to kids wanting to help out the family is too fine a line right now. It should be noted though that if this continues, there will not be a continuation of the handicraft traditions in the new generations, the same ones that Fair Trade working to put in schools. This is a major challenge. How can both goals be accomplished? The Chairman from the school in Larjung, Mustang asked me the very same question, and that is what we need. More people asking the big questions, implementing the answers they know through cultural education.

A similar struggle about the role of culture in Fair Trade in Nepal deals with the actual crafts produced: should they be more traditional or modern? “It feels like a Nepal heart,” says Nito of the traditional crafts sold in Mahaguthi, “that hand made is a Nepali heart.” Hand made items are a very traditional part of Nepal, and an increasing number of Nepalis seem to be interested in buying nepali, handmade goods rather than imported ones (Ghale). Handicrafts are also important because, unlike the west that has market supporters like motors, cars, electronics, etc, Nepal’s “big market” is handicrafts. They need this market as a nation and it can be used to help their citizens gain a better life by keeping the money in the country and paying their citizens well for both preserving their culture and providing income for the nation. Many Nepalis already have skills in handicrafts that can then be “upgraded” and refined to create better products and earn better income. If every Nepali wanted to produce handicrafts, than inevitably the market would be flooded, but that day is in the distant future. Working to broaden the scope of Fair Trade so that it fixes the same issues in the jobs that already exist that it fixes in the jobs it creates will prevent this issue before it begins, as well as extend the reach of Fair Trade.

It is not a moral question, this one of traditional craft vs. designs tailored for the international market. But it is a question of the commodification of culture. Fair trade in Nepal is certainly trying to ensure that traditional nepali crafts do not disappear, but even those crafts have evolved over the years and so are evolving again, but so that they can learn new things, make things of quality, sell them to a market and earn a good living. The difference is that this commodification is

being done with the awareness of the impact that it is making on someone else's life. It is my bias that traditional crafts add to the value of fair trade, and my fear that adding modernization into process or design might cause the artists to just become better paid producers for a consuming West/North and reduce, yet again, our producer/consumer relationship to simply the items we both have touched. Realizing that this commodification is possible will help us to better understand the impact that our purchases are making.

Part of the need for awareness about the commodification of culture is the language that is used to describe both culture and the products that are being made. The language used to describe Fair Trade by the WFTO makes it seem as though it is the world authority for a new system of producer/consumer relationship, the only way to trade ethically, when in fact there are other ways, and many restrictions on membership that may or may not actually hinder a business performing to the actual goals of the spirit of fair trade.

What is it that people, without having read or heard much about it, think Fair Trade is? Most people I've spoken to informally who have some idea of the context say that it is about fair wages and helping "poor" people get jobs.

This is a good start, but there are so many other nuances to what the WFTO membership requires. And so, something as seemingly simple as whether your organization is a private business or an NGO can keep you from entering into what appears to be the authority on ethical, alternative trade, and that these and only these organizations are the most valid "Fair Trade" organizations.

This has been the case for Nepal Knotcraft Center (NKC). It is a private business, which had begun to help form FTG Nepal—until it was decided that all member organizations would have to be NGO’s. This may very well have something to do with a level of transparency required to be part of WFTO, otherwise, what differentiates one legitimate private business from a scammer trying to reap the benefits of an ethical business practice? NKC sells products to Ten Thousand Villages, and is privately monitored through their company, but has no certification or membership that would suggest that it is fair trade (Shrestha, Shyam Badan). That is really the point: you cannot tell at a glance who is fair trade and who is not. Certification may help, particularly because it also helps to raise awareness about the existence of an alternative way to trade.

Consumers need to be informed about the many issues in labor practices, otherwise they will remain unaware that the very things that drive their economies are being made through labor exploitation. Do they care? Would they? How much? Should they? Why?

Enter fair trade. Westerners who are the main consumers of fair trade goods right now need directions, a way to identify what they need to buy to be part of this “market system value change.” So they need labels, “road signs,” because people are largely unwilling to research for themselves—and how could they actually do that short of going there? Impractical. So these labels are put in place to guide. But guide to what? Once made aware of the issues, and given pointers to a way to change this system, what changes do people actually think they are contributing to? Fair wage? Better working conditions?

This is a crucial point of study for fair trade, and something that needs to be addressed further. On one hand, a label is a useful tool for raising the awareness in the consumer pool about fair trade, it is an easy way to identify products that are Fair Trade, and it is helping to promote the cultural norm shift. It highlights the differences on products about how some things are produced. But it also limits peoples understanding of what fair trade is to the definition given by the WFTO and FLO, which is by far not comprehensive of the possibilities of fair trade. Many organizations and businesses cannot be criticized for not being “Fair Trade,” simply because they cannot, in their present structure, even be considered for membership—like Nepal Knotcraft Center.

This issue begins to make the case for “ethical trade.” More and more businesses are looking for a way to integrate these practices into their production. Although there is a growing awareness of fair trade, and Fair Trade principles, there is limited understanding of the implications of these, one important one being that not nearly every product can be certified as “Fair Trade.”

What does all this mean? Value has been given to this certification—a label that makes Fair Trade easy to identify, and this can cast doubt on other businesses and organizations that practice ethical trade and cannot be “Fair Trade” as the WFTO defines it.

From the producer’s point of view, there is a very real reason to have a label or certification standard. The issue of exploitation in Nepal and around the world is very real and in many countries is an accepted practice. Having a standard for production to monitor gives employers a tangible reason to be

accountable for their business practices, and encouragement to not revert to an easier and perhaps even culturally acceptable alternative for cheap labor.

This also provides a checking system against businesses that will say that they are fair trade and hope to take advantage of the good business that fair trade attracts. Rena Maskey spoke about a situation in Chitwan where a store claimed to be Fair Trade but is not a member of FTG Nepal (Maskey). There is equal possibility that this shop is and is not fair trade. Because situations where business will try to take advantage of this good business policy are well known to exist, certification and membership act as a reassurance that organizations claiming membership should be trusted. But again, this does nothing for the credibility of organizations without membership.

What is the real impact that this discussion has on producers? As the old Greek adage goes: “everything in moderation.” These regulations can help to ensure that the producers already with Fair Trade organizations are receiving all the benefits outlined by the WFTO, but if too many stipulations are put in place, Fair Trade will lose its ability to recognize the individual needs of each culture that it works within. And the limitations of Fair Trade will inhibit its ability to provide a sustainable means to economic empowerment.

Conclusion

In the industrialized ‘North,’ changes in consumer tastes and increasing social and environmental awareness are currently creating a higher level of demand than ever before for products from around the world which benefit communities and the environment (Lewis 2009). This shift in consumer values

has manifested itself in many ways across continents, from “eco-friendly” products to fairly traded handicrafts and food. But these trendy Western tastes have far greater implications for a growing global society; Fair Trade is not only a healthy twist on the producer/consumer relationship, but is also a sustainable practice for development, which is currently helping to alleviate poverty and bring economic empowerment to those producers in marginalized situations who would otherwise be without means to improve their quality of life.

In Janakpur, for instance, women are traditionally kept in the house, unable to leave. They would have to veil their faces when speaking to strangers and because they are not allowed to leave the home, they are mostly illiterate. After the founding of JWDC and several years of arduous labor on the part of the founder Claire Burkert, the culture of Janakpur began to change and now many more men understand the importance of economic empowerment for their women.

One woman, Sita Karna, was married at age 15 and immediately took on the responsibilities of her husband’s large household. “How to feed so many people?” she asked herself, “And I also wanted to educate my children. I thought to myself, I must work, but where could I find work? Then one day I came to a place where I heard a lot of noise coming over the wall and all of it from women.” She discovered that these women were making paintings, the same kind that her mother taught her to make for rituals. After sending in her designs, Sita was chosen and now paints at the center, earning money for her family. She says she

never dreamed she'd be able to ride a bike to work, "So who really knows about our future?" (Burkert et al. 2008).

Another definition of Fair Trade is offered by TransFair USA, a US based Fair Trade group, and reads as follows: "In a global village, we prosper as our less fortunate neighbors prosper. Nations become neighbors, and we accept that some nations ('neighbors') are naturally more fortunate than others. The causes underlying global inequality, such as imperialism, neo-imperialism, trade advantages, and the debt crisis, disappear in this quaint metaphor. The notion that natural resources are limited, and that the first world neighbors gobble up a disproportionate share of the global commons, is also implicitly accepted." There are many limitations to Fair Trade, and it cannot be seen as an answer to root causes of poverty and inequality (Kanji 2009). However, it can be seen as a step towards balancing the consumer/producer equation, with a better global distribution of wealth so that "producers" have the chance to be both producer and consumer.

Fair Trade is all about the artisans. It is working to provide funds for kids to go to school, providing work, health care, opportunities to learn about the world. These all sound like cliché changes, basic things that everyone wants, but not everyone has. There are many questions still to address, but even if the Fair Trade definition from the WFTO is not comprehensive, it can still act as an eye opener to some of the many issues in our world that are often passed over in the increasingly busy lifestyles people all over the world are adopting. It is the awareness of each others existence, and the understanding that we impact each

other whether we know it or not that makes Fair Trade a worthy investment. In this different kind of trade relationship, we are more human, and more directly connected. Both sides are benefited and another step is made towards the balance of the world being restored. If the only change that Fair Trade made was increasing the level of social consciousness about the values exhibited by our behavior in the present system of consumption, than it would be well worth the investment.

Appendix

General Structured Set of Interview Questions

1. What do you do for X organization? How long have you been involved?
2. How did you get involved?
3. How did X organization begin?
4. What is your impression of Fair Trade in Nepal?
5. How is Fair Trade important to Nepal?
6. How is Fair Trade perceived in Nepal?
7. What is X doing to promote Fair Trade in Nepal?
8. Why is what X organization is doing important?
9. What challenges does Fair Trade face in Nepal? What challenges does X organization face in Nepal?
10. What sort of impact, if any, has the formation of FTG Nepal had on X organization?
11. What kinds of skills are used in the production of your products? How are they learned?
12. In your opinion, are the ten standards of Fair Trade written well for the cultural context of Nepal?
13. What is the effect on X organization that you cannot label your products Fair Trade?

For Producers

1. Tapaale Fair Trademaa kaam gareko katibhayo?
 - a. Since how long have you been doing Fair Trade work?
2. Tapaai dheraijaso ke ke banaaunuhunchha? (bunnu, silaunu)
 - a. What do you often make? (knit, sew)
3. Tapaale yo banaauna kasari siknubhayo?
 - a. How did you learn to make these things?
4. Tapaale yo kaam sikeko katibhayo?
 - a. Since how long have you learned how to make these things?
5. Tapaaike bichaarmaa Fair Trade bhaneko ke ho?
 - a. In your opinion, what does Fair Trade mean?

6. Fair Tradele tapaaiko jivanmaa kasto bhumika kheleko chha?
 - a. What role has Fair Trade played in your life?
7. Fair Trademaa kaam garnu aghi, tapaaiko jivan kasto thiyo? Ki ke garnuhunthyo?
 - a. Before doing Fair Trade work, how was your life? Or what did you do?

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