THE CULTURAL AND POLITICAL INTERSECTION OF FAIR TRADE AND JUSTICE

MANAGING A GLOBAL INDUSTRY

Tamara Stenn

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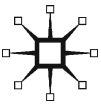

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I dedicate this book to all of our ancestors. May their voices and hopes continue to guide and inspire us as we all move forward toward times of greater justice. And to the children whose world we help to shape and define by our actions today.

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Preface

This book is a journey deep into the depths of Fair Trade exploring first the phenomenon of Fair Trade, how it originated and developed, who the players are today, and the different ways in which Fair Trade is understood and engaged in on a global level. This macro view of Fair Trade includes economic and development theory and examines the concept and goals of Fair Trade as an institution. The book then moves into a micro view of Fair Trade as it is applied in Bolivia. New ways of understanding and realizing Fair Trade emerge as Bolivian culture, history, and people converge to build a unique context in which trade takes place. Delving even further into the Fair Trade experience, indigenous Andean women engaged in two different types of Fair Trade, handicrafts and agriculture, are studied in a deeply personal ethnographic account of Fair Trade's impact on women's lives. The book culminates in a theoretical analysis of women and leadership and cultures' effect on management and outcomes. Woven throughout the journey is the theme of justice with glimpses of how it is enhanced and not, within the Fair Trade context. Many twists and turns emerge as Fair Trade and justice is experienced and understood in different ways. I, as the author, am a US-based 15-year veteran of Fair Trade with a long personal connection to Bolivia through my children's family and work. Throughout this book, I strive to present an authentic view of events and concepts, honor the experiences of people and place, and present an honest analysis of the dynamic changes sweeping across Bolivia affecting Fair Trade, women, and ways of being.

Life is an interdisciplinary experience. In the spirit of living, this book too is written in an interdisciplinary style enabling the phenomena of trade to be understood ethnically, socially, politically, economically, interculturally, and from a gender perspective. Grounded theory is presented from point of view of the academic disciplines of management, economics, and anthropology. This text presents many jumping-off points for further analysis and exploration. Interactive

exercises are presented at the end of each chapter to prompt greater exploration into a theme or phenomenon and enable connections to arise between theory, self, and community. The text is written in four parts. The following sections explain how each part is broken down by chapters and exercises.

PART I

Part I presents a macro view of Fair Trade and builds the platform upon which one can examine the idea of fairer trade and justice. It creates language and context, and breaks down complex issues of trade into four pillars: institutions, consumers, producers, and government, enabling trade to be understood from multiple perspectives. These multiple perspectives are analyzed and supported by Amartya Sen's ideas of justice. The overarching theme of Sanskrit's *niti* and *nyaya* are introduced in Part I, *niti* being the detailed, concise idea of justice enforced through laws, rules, and regulations, and *nyaya* the broad view of justice realized through intention, context, and multiple perspectives. In addition Sen's concepts of plural grounding, a way of looking at a situation from different, sometimes conflicting, perspectives and seeing it as a whole; comparative broadening, a method of deeply understanding something by comparing it to something that it is not; and public reasoning, the creation of space for diverse and rarely heard voices to be heard are applied throughout Part I to create a language and context in which justice can be discussed throughout subsequent parts as well.

More specifically, Part I is broken down into five chapters. Chapter 1is the history of Fair Trade with an exercise in exploring commonalties and traits of Fair Trade's early pioneers. The next four chapters focus on the four pillars that collectively enable Fair Trade to exist. Each pillar is presented independent of the others, with its own analysis and exercises designed to deepen one's awareness and understanding of Fair Trade and justice. Chapter 2 focuses on Fair Trade institutions, their different approaches, and challenges faced by the industry as Fair Trade scales up. The question as to whether Fair Trade is exclusively for small producers or if large land holders can also participate is presented as well as a discussion about the justice of large corporations carrying Fair Trade brands without being Fair Trade themselves. The chapter 2 exercise enables participants to engage in a "fishbowl" discussion to explore different perspectives of Fair Trade and growth. Chapter 3 introduces the theory of rational choice and explores the rationality of Fair Trade engagement by consumers and

the challenges they face. Concepts such as akrasia, bounded rationality, and sustained reasoning are explored as consumer motivation is unpacked and looked at from a justice perspective. The chapter 3 exercise presents an opportunity for readers to engage in an ongoing consumer study of Fair Trade. Chapter 4 is about Fair Trade producers and creates a socioeconomic and cultural context in which Fair Trade can be experienced. Sen's capabilities approach is applied making the manner in which Fair Trade is accessed and understood by producers, and the consequence of this relationship important. The subsequent exercise engages readers in active, online research of producers, with analysis and critical thinking. Chapter 5 presents the role of government and policy in supporting justice within a producer or consumer country both in the trade arena and among citizens in general. Sen's idea of a functioning democracy is presented here and is tied in to justice. The chapter 5 activity enables participants to develop a functioning democracy using public reasoning to more deeply understand and resolve a predetermined problem.

Part II

Part II takes the global phenomena of Fair Trade and closely examines it in the context of Bolivia and the indigenous women working in Fair Trade. A combination of the author's personal experience, case studies, ethnographic study, and historical data create a rich depiction of the dynamics and contradictions of Fair Trade in Bolivia. Bolivia is similar to many countries in the developing world in that it has high poverty, poor education, and a lack of infrastructure and industry. It is different in that the people share strong cultural beliefs, embrace indigenous rule, and take a deeply democratic approach toward governance. Fair Trade guidelines however are the same across countries and gender. Part II presents a micro view of Fair Trade examining its effects within the context of Bolivia's indigenous women, an understudied though important population of Fair Trade. Part II chapters present a political history and context for understanding Bolivia and Fair Trade in the Andean region, developing a close, personal view of Bolivia's indigenous Fair Trade women. Chapter 6 introduces the Andean concept of Suma Qamana, good living for all. Indigenous organizational units of *minka, mita, ayllu,* and *ayni* are introduced as well as an examination of the steps that led to the reemergence of this ancient system of governance. Neoliberal reforms, development policy, and decentralization are explored here. The chapter 6 exercise entails participants exploring their own local governance, its functions,

and roots. Chapter 7 extends beyond Bolivia and looks at emerging models of South American Fair Trade, *Comercio Justo*, and how they are realized through trade alliances and constitutional reforms that center on sustainability and collective well-being rather than personal gain. The parenthesis man is presented as a way in which to understand motivation in the context of the Social Solidarity Economy, a worldwide model of greater economic collaboration, sustainability, and mutual gain. The chapter 7 exercise focuses on the discovery and mapping of the Social Solidarity Economy in one's own community and is linked to a global mapping project.

PART III

Part III presents a detailed ethnographic study of the roots and heart of Fair Trade, the indigenous women themselves. Not always visible from within the family home and often not present in leadership roles, women producers are easily overlooked and the least studied and known part of Fair Trade. The author's deep connections to Bolivia's indigenous women and Andean ways of being gives readers access to a world not always seen by outsiders. Part III contains studies of women in two types of Fair Trade, handicrafts and agriculture, and creates a broader view and deeper understanding of how Fair Trade is experienced in different contexts. In addition, it looks specifically at women's leadership at a time of revolutionary change in Bolivia, one marked by indigenous rule and the emergence of women's rights spelled out and protected by a new national constitution. Chapter 8 engages ethnographic study, participatory rural appraisal, and methods of thick description to capture the lives of Bolivia's indigenous women knitters in the highlands. Themes of migration, climate change, and gender empowerment arise as the women define the effect of their Fair Trade participation in their own words. The chapter 8 activity enables readers to apply participatory rural appraisal methods to better understand or respond to a need within their own community. Chapter 9 takes readers to jungle mountainsides where indigenous women Fair Trade coffee growers work with small family cultivations. The history and impact of development is studied in the context of coffee as Bolivia's new Fair Trade coffee quickly became a multimillion dollar industry. The women describe their struggles to realize their own identity within the collective of the family and identify, in their own words, the effect that Fair Trade farming has on their lives. The chapter 9 activity applies comparative broadening to explore differences in business models from the highlands cottage industry of the knitters

to the jungle cooperatives of the coffee farmers. Chapter 10 presents a comparative analysis of the experience of indigenous women from the same cultural group, working under identical Fair Trade guidelines, within the same country but in different industries, handicrafts versus agriculture. Issues of female deprivation, poverty, and identity are explored. Sen's capabilities approach is applied to women's functionings to understand where and how Fair Trade enables justice to be realized for women in both industry sectors. The chapter 10 activity invites participants to "adopt" a Fair Trade producer group and conduct research into producers' own experiences with Fair Trade and how it affects them.

Part IV

Part IV takes a step back to provide a specific look at women's leadership and intercultural management within the context of Bolivia and Fair Trade, thus completing the full Fair Trade experience. Chapter 11 examines Bolivia's women leaders within both Fair Trade industries: handicrafts and agriculture. It looks at the recent history of women's leadership theory, development, training, and the understanding of feminism and how this plays out in Bolivia. Through personal histories and in-depth interviews two different approaches toward women's empowerment emerge. Women's Fair Trade leadership extends into the political arena as well as Fair Trade leaders take on national leadership roles through the work and support of the Constitutional Assembly and Bolivia's new indigenous government. Women's engagement in Sen's functioning democracy and public reasoning support revolutionary change and reshape Bolivia. The chapter 11 exercise introduces Open Space Technology and guides readers in using the tool to engage others in public reasoning to create greater understanding around a controversy within their own community. Chapter 12 introduces the work of Gert Hofstede and its cultural dimensions. By understanding the cultural differences between Fair Trade's producer and consumer countries, greater justice can be realized. Engaged in comparative broadening differences in power distance, uncertainty avoidance, individualism, masculinity, and long-term orientation result in trade and gender challenges. Sen's capabilities approach is applied here too to broaden one's understanding of the role that interculturality plays in growing justice. The final activity introduces participants to the Developmental Model of Intercultural Sensitivity (DMIS) and engages the use of intercultural assessments such as Edward Hall's high context and low context ways of being.

Role plays and simulations enable participants to reenact cultural challenges identified in Hofstede's dimensions and understand them differently with a deeper intercultural knowledge.

I hope readers find the book insightful and thought provoking. It has broadened my way of viewing trade, consumerism, community, and sustainability and gives me new ways in which to approach growth, development, and conflict. I feel I am better able to refrain from passing judgment too quickly and have learned to value taking the time to seek out seldom-heard voices and listen, letting different ideas emerge to today's challenges and helping all of us to move toward greater justice. Thank you for taking this journey with me.

—TAMARA

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Abbreviations

Asociación Artesanal Señor de Mayo (ASARBOLSEM)
Bartolina Sisa National Confederation of Bolivian Rural Women (FNMCB-BS)
Central Obrero Boliviano (COB)
Comité de Vigilancia (CV)
Comunidad Andina (CAN)
Confederación de Pueblos Indígenas de Bolivia (CIDOB)
Confederación Sindical Unica de Trabajadores Campesinos de Bolivia (CSUTCB)
Constitutional Assembly (CA)
Coordinadora de Integración de Organizaciones Económicas Campesinas de Bolivia (CIOEC)
Coordinating Body of Latin American and Caribbean (CLAC)
Corruption Perception Index (CPI)
Developmental Model of Intercultural Sensitivity (DMIS)
Domestic Fair Trade Association (DFTA)
European Fair Trade Association (EFTA)
European Union (EU)
Fairtrade Labeling Organization (FLO)
Fair Trade Federation (FTF)
FairTradeUSA (FTUSA)
Federacion de cafeteleros de Bolivia (FECAFEB)
Federacion Departamental Cochabambina de Regantes (FEDECOR)
Federation of Community Forest Users of Nepal (FECOFUN
Fomento al Trabajo Manual (FOTRAMA)
Foreign Direct Investment (FDI)
Gender Empowerment Measure (GEM)
German Service of Social-Technical Cooperation (DED)
Green Mountain Coffee Roasters (GMCR)
Gross National Income (GNI)
Human Development Index (HDI)
ICT for development (ICT4D)

Information and Communication Technology (ICT)
Institucion Nacional de Reforma Agraria (INRA)
Integrated Alternative Development (IAD)
International Federation for Alternative Trade also International Fair Trade Association (IFAT)
Intentional Monetary Fund (IMF)
Inter-American Development Bank (IDB)
Intercontinental Network for the Promotion of Social and Solidarity Economy (RIPESS)
International Federation of Red Cross and Crescent Societies (IFRC)
International Institute for Communication and Development (IICD)
Legatum Prosperity Index (LPI)
Ley de Participación Popular (LPP)
Long Term Orientation (LTO)
Market Access and Poverty Alleviation (MAPA)
Mennonite Central Committee (MCC)
Movimiento al Socialismo (MAS)
Mujeres Presente en la Historia (MPH)
Multidimensional Poverty Index (MPI)
New Economic Policy (NEP)
Network of European World Shops (NEWS)
Non-governmental organization (NGO)
Open Space Technology (OST)
Organizaciones Económicas Campesinas (OECA)
Organizaciones Territoriales Bases (OTBs)
Participatory Rural Appraisal (PRA)
Power distance (PDI)
Price Waterhouse Cooper (PwC)
Quality of life QoL
Rational Choice Theory (RCT)
Small business enterprise (SBE)
Small Farmer Symbol (SPP)
Social Solidarity Economy (SSE)
Transnational corporation (TNC)
Uncertainty avoidance (UAI)
Unión de Naciones Suramericanas (UNASUR)
Union of Indigenous Communities of the Region of Isthmus (UCIRI)
United Nations (UN)

United Nations Development Program (UNDP)
US Agency for International Development (USAID)
Value based label (VBL)
World Fair Trade Organization (WFTO)
World Trade Organization (WTO)

Part I

Building Context

This section presents a macro view to Fair Trade and builds the platform upon which one can examine the idea of fairer trade and justice. It creates language, context, and breaks down complex issues of trade into that of four pillars: government, producers, consumers, and institutions, enabling trade to be understood from multiple perspectives. These multiple perspectives are analyzed and supported by Amartya Sen's ideas of justice as readers are presented with new ways of viewing and understanding situations. Fair Trade is a global phenomenon taking place across nations and housed in governments, institutions, and our hearts. Part I gives us the tools and perspective to more deeply understand it.

1

A Brief Introduction to Fair Trade and Justice

Fair Trade Overview

Fair Trade is a form of commerce started post–World War II in the 1940s by American and European organizations as a way to provide relief to war refugees and marginalized people through the sale of handicraft items made by those populations (Shaw, Hogg, Wilson, Shui, & Hassan, 2006). By teaching people to create handicrafts that sold in the United States and Europe, income was generated to help the struggling populations. Over time, Fair Trade evolved to include food items, embrace cultural diversity, gender, environmental sustainability, long-term development, and brought greater economic return to a million small-scale producers across the globe (Warrier, 2011). Fair Trade is now a $6.8 billion industry (WFTO, 2012). It is most visible in the coffee and chocolate industries though it also includes flowers, sugar, quinoa, rice, bananas, grapes, gold, tea, herbs, rice, honey, nuts, cotton, vanilla, wine, clothing, sports balls, wood, potatoes, and handicrafts (Fairtrade Labeling Organizations International [FLO], 2011). Fair Trade products largely originate from poorer countries and are sold, often at premium prices, to consumers in richer countries.

The early model of helping impoverished people via the development and sale of consumer goods slowly caught on. In 1958, Milton Friedman wrote of the importance of the United States adopting a foreign economic aid program of skills development as a way for "uncommitted nations" to build economic growth by engaging in the US's free market democratic ideologies. "If we do not help them," warned Friedman, "they will turn to Russia" (Friedman, 1958, p. 1). US national interest coincided with its humanistic ideals, explained Friedman. "Our fundamental objective," he wrote, "is a world in

which free men can peaceably use their capacities, capabilities and resources as effectively as possible to satisfy their aspirations" (1958, p. 2).

"Trade not aid," became the call in international development in the 1980s, as producers supported by liberal advocates voiced a preference for dignity by earning returns from the sale of goods, rather than passively receiving donations. Instead of sending money, neoliberal development policies focused on measures that enabled the developing world to trade its way out of poverty. "Give a man a fish; you have fed him for today. Teach a man to fish; and you have fed him for a lifetime" was the mantra of that time. Many development projects began focusing on skills building and microenterprise development with a goal of export production (Yusuf & Stiglitz, 2001). This model played out in the 1990s with the advent of Free Trade Agreements (FTAs), the World Trade Organization (WTO), and a shift toward more liberalized trade, or neoliberal globalization, with a focus on promoting "self-regulating" free markets to create a better world (Steger & Roy, 2010).

Critics challenged the assumption that the developing world could independently export its way out of poverty. Neoliberal globalization increased global competition, shifted production to less expensive regions, and grew global inequality (Urata, 2002). Inexpensive goods created in the developing world, with lower production costs, posed threats as they competed with the now more expensive, locally produced goods. This led to local industry failure and local job loss. Neoliberalism led to a rise in inequality, and the exploitation of workers and the environment as unfettered free market competition drove producers to reduce costs to the detriment of workers who received low, or no, salaries and the environment, which was left unprotected (Stiglitz & Charlton, 2005). In addition, neoliberal globalization produced social hierarchy through its unequal domination by a group of upper classes or advanced countries.

The institutional Fair Trade studied here is not a development project nor is it neoliberal globalization. It functions independently in the free market, with producer groups volunteering to adhere to Fair Trade guidelines in exchange for specialized export market access. Fair Trade principles, which vary among the handful of Fair Trade institutions, create market restrictions that fly in the face of free trade policies. Fair Trade markets are not "self-regulating" or free but rather highly restricted by imposed guidelines that demand a certain level of wages be paid to producers, environmental protection, cultural preservation, and financial responsibility for the well-being of the community.

Some Fair Trade adheres to minimum price guarantees. This type of pricing principles was first introduced by Keynes in his postwar economic order plans at the turn of the twentieth century. "Proper economic prices should be fixed not at the lowest possible level, but at the level sufficient to provide producers with proper nutritional and other standards in the conditions in which they live . . . and it is in the interests of all producers alike that the price of a commodity should not be depressed beyond that level, and consumers are not entitled to expect that it should" (Keynes, 1921, p. 212). The current Fair Trade model developed independent of Keynes's ideas though; it is interesting that he had the foresight to consider the importance of such principles in a capitalist structure.

Fair Trade has a strong social aspect that does not exist in the neoliberal trade arena in which it functions. Neoliberal trade proponents believe that social needs are met through the "trickle down" effect of free trade. For example, the gains from the sale of a product are naturally distributed through taxes, wages, and other means. Revenue automatically "trickles down" through the economy meeting people's social needs, like rainwater through soil. The belief is that there is no need for the government or institutions to get involved to regulate social benefits; they are a natural outcome of trade. Fair Trade is different. It demands that tangible social benefits be a core part of the trade model, reflected in the cost of the goods, and communicated to consumers. Often the countries where Fair Trade operates do not have the infrastructure to capture the trickle-down effect, have low wages, and no local tax structure or social programs (Figure 1.1). Most certified Fair Trade agricultural products have a "community investment fund" where a percentage of sales is set aside for community projects such as building schools, roads, and improving community infrastructure; this enables Fair Trade to provide the services that local governments cannot. Fair Trade is not free trade, as some mistakenly believe; it is in fact, highly restrictive.

Ironically, many of the "trade not aid" development programs with a focus on skills building and microenterprise development were not successful in producing viable export businesses in the highly competitive neoliberal global market, as was the intent of the programs, but instead laid the foundation for future Fair Trade work. Producers trained in microenterprise development often had no market access, tools, or knowledge. Many were illiterate, and located in rural or remote areas, with limited resources, and scant communications (Eversole, 2006). The assumption was that the quality of the production itself would be enough to "sell" the product to foreign

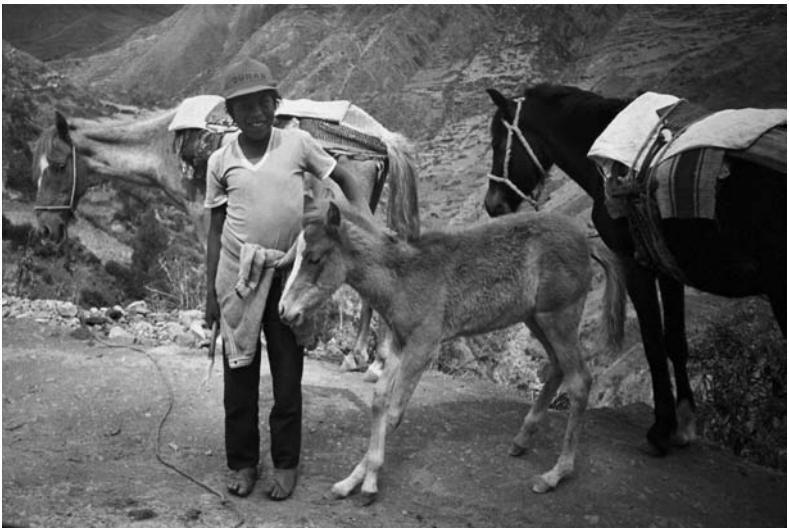

Figure 1.1 Goods are transported by horse and donkey on Bolivia's dirt paths. A lack of infrastructure and challenging mountainous terrain make moving goods to market difficult. (Photo: N. Trent, 1998).

markets regardless of producers' vast market barriers such as foreign language and competition. Sometimes microenterprise development projects included sales to foreign markets, though they usually lacked long-term market development or commitment. Sales were often dependent on an English-speaking foreign worker being present to negotiate them. Once the foreign worker left, these sales ceased (Eversole, 2006). Producers simply did not have the resources, skills, or language to pursue access to foreign markets on their own. Products created for export were often too expensive for in-country consumers, or did not appeal to local markets. Nevertheless, producers had viable products and a tremendous opportunity to sell them if a link could be made between the producer and foreign markets. This is where Fair Trade enters.

Often it was a foreign anthropologist doing research, the spouse of a foreign worker, or a development worker engaged in other projects in the area who would "discover" these trained producer groups, recognize the market opportunity, and develop their own enterprise to export and distribute these goods. A recent Fair Trade Federation (FTF) member survey found that of the long-term members (more than ten years), one-third met the Fair Trade producers they worked with while visiting the country as a tourist or guest and

another one-third were actually from the region where the production took place (Stenn, 2012b). I personally have worked in Fair Trade since 1996 when, as a US Peace Corps volunteer, I recognized the market potential for Bolivia's hand knit alpaca sweaters and founded KUSIKUY Clothing Company, a small US-based Fair Trade knitting company with membership in the FTF and production in Bolivia. Being familiar with the producers in their cultural context, emerging fair traders worked in a culturally sensitive manner, forming long-term relationships with producers, and embracing producers' values of community and the environment, the same values embraced by Fair Trade's institutions. The main motivation for the FTF members to identify with Fair Trade was that it fit their personal values. More than half of them also enjoyed helping others (Stenn, 2012b). Once a connection was made with a producer group, in country, Fair Trade's imposed, restrictive guidelines were a natural fit. However, for those not familiar with the producers, their place of origin, culture, language, and traditions, Fair Trade principles were daunting and inaccessible. Fair Trade institutions were formed to help bridge this gap between Fair Trade production and Fair Trade distribution and consumption. Today thousands of world shops, retail outlets, and private companies participate in Fair Trade by maintaining memberships with institutions (WFTO, 2012). This enables members without a direct producer connection to still support and participate in Fair Trade, making it more accessible to all.

Largely viewed as a way of bringing social justice to the world's most impoverished, Fair Trade is a tool for creating economic justice and building freedom though cooperation and solidarity between producers and buyers. Fair Trade is supported by producers who voluntarily embrace its guidelines by working together, sharing resources, improving product quality, and providing transparency in their daily business operations (Figure 1.2). It is also supported by buyers who respect the producer relationship and promote the Fair Trade guidelines to ethically motivated consumers, retailers, and distributors. As a result, Fair Trade producers and buyers form strong, long-term relationships enabling producers to gain access to secure, lucrative export markets (Hayes, 2006).

Besides the producer-buyer relationship, Fair Trade is supported by consumers who purchase Fair Trade products for several different reasons. Some see Fair Trade as a way to support the ethical treatment of workers and the environment, others enjoy the uniqueness and quality of the products, while still others identify with being part

Figure 1.2 A Bolivian producer creates hand knit sweaters for KUSIKUY, a US-based Fair Trade clothing company. (Photo: T. Stenn, 2008).

of an eco-ethical movement and view their Fair Trade purchases as a norm within that movement (Ekici & Peterson, 2009). Eco-ethical consumption values include "solidarity, multiculturalism, respect for human rights and ecology" (Llopis Goig, 2007, p. 469).

When examining the different pillars of Fair Trade, one can refer to the parable of the blind men and the elephant. In this ancient fable, it is told that four blind men encountered an elephant. One grabbed its leg, concluding that it was a tree trunk. One held the tail thinking it was a whip. Another touched the elephant's trunk and decided it was a hose. The fourth man patted the elephant's side concluding it was a wall. The wise, sighted man then told them, "All of you are right." This parable is applicable to the idea of Fair Trade as well. Fair Trade changes depending on which pillar it is being viewed from and what the viewer's own perceptions are. Depending on one's position and personal experience, the definition and understanding of Fair Trade shifts. Like the blind men, "all are right" but they are different. Viewing these differences from the constant of Sen's ideas of justice

creates a broad, multifaceted way in which to understand our elephant, the cultural and political intersection of Fair Trade and justice.

Justice is a global concept. The English language does not allow a large enough vocabulary for the full examination of it. Sen, who is of Indian descent, uses Sanskrit vocabulary to help distinguish two significantly different ways of defining justice that enables a greater conversation about Fair Trade and justice to be realized. *Nyaya*, is Sanskrit word for a, "comprehensive concept of realized justice" (Sen, 2009, p. 20). While *niti*, is Sanskrit word for a more concrete, tangible, and narrowly applied, justice, often in the form of rules, laws, and "organizational propriety and behavioral correctness" (Sen, 2009, p. 20). The *niti* concept of justice is familiar to the Western thinker and refers to norms, standards, and regulations. A *niti* view of Fair Trade justice focuses on its guidelines, compliance, and certifications. However, it is within the complexities and expansiveness of *nyaya* where a larger, transformational understanding of justice lies. Looking at Fair Trade justice with *nyaya* means understanding peoples' lives and how trade mixes through them. It includes the lives of business owners and consumers, institutional directors, political leaders, and producers; everyone touched by trade. A *nyaya* view of Fair Trade justice focuses on broad, interconnected, complex relationships.

The *nyaya* view of justice is often counterintuitive to Western thinkers who are used to being linear and precise in their understanding of things. Nevertheless, Fair Trade extends beyond Western sensibilities and engages people from other, much larger, ways of thinking. For example, the indigenous women of the Fair Trade presented in chapters 5 and 6 have long memories. They worship their ancestors and earth gods, quote old ways of knowing, and are cyclical in thinking and organizing. Sen, whose work figures prominently in justice studies, is from India, a non-Western culture that, like the culture of the indigenous women, embraces a larger and longer way of thinking. Being a Western-trained scholar, Sen provides a bridge between the precise, linear, Western way of knowing he learned, and the larger, looser, non-Western ways with which he grew up. The ability to engage both ways of knowing is important when examining Fair Trade as justice, as it spans the linear West and the larger non-West in its complex relations.

Applying Fair Trade

US consumers access Fair Trade products through independent stores such as local coffee shops, co-ops, and boutiques, and large chains

such as supermarkets and big-box stores, at trade events and online. Europe has a system of 2,500 world shops in 13 countries that sell Fair Trade products to consumers (Crossing Borders Fair Trade, 2011). Some Fair Trade products such as coffee are third-party certified, while others such as handicrafts, are not. Some products come from vast cooperative plantations while other products are made at home through informal cottage industries. Fair Trade can take place in a factory in India, a hut in Africa, or a coffee shop in the United States, and is produced, transported, and purchased by a vast array of participants. All of this together—institution, producer, consumer, and varying principles make up Fair Trade. Though not equally defined, it is understood that a product made outside of Fair Trade guidelines, cannot be assumed to be fair.

Fair Trade as an Adjective

Besides Fair Trade as an institution, there are other methods of trade that also give greater opportunity to disadvantaged producers. Often these methods are referred to as fair trade, though it is in the descriptive sense meaning that the trade is more fair, rather than the proper noun Fair Trade, which refers to the institutional models studied here. The following are alternative methods of trade that are fair and follow many of Fair Trade's institutional principles, but without the institution. These other ideas of noninstitutional fair trade are being provided to avoid confusion with Fair Trade as an institution, however they will not be further addressed in this text.

- **Direct Trade** Direct trade is the building of relations directly from retailer to the producer. The retailer themselves travel to the country of origin, get to know the producers personally, and through this relationship guarantee the quality of the product ensuring that it meets minimum Fair Trade guidelines set by Fair Trade institutions.
- **Ethical Trade** Besides the four principal global Fair Trade institutions mentioned in this book, there are scores of local and national ethical trade programs that ensure producers meet guidelines developed in the context of specific cultural and economic settings. These guidelines vary and are often focused on a specific trade aspect. For example, the US Domestic Fair Trade Association (DFTA) focuses largely on farm worker rights and small farms in the United States. The Rainforest Alliance Certified seal assures consumers that the product they are purchasing were grown and harvested using environmentally and socially responsible practices.

- **Self-made Fair Trade** Many producer associations, nonprofits, and cooperatives operate within Fair Trade institutional guidelines but are not members of any Fair Trade institution. These groups find that institutions are expensive, difficult to access, and do not always deliver access to new markets. Some of these producers operate in the Direct Trade model, while others compete alongside conventional businesses, succeeding in markets because of the quality and uniqueness of their products.
- **Local Fair Trade** Argentinean economist Raul Prebisch advocates a policy of import-substitution where developing countries produce for themselves the manufactured goods that they had previously imported (2006). Under Prebisch's model, developing countries would grow by selling more of their own products to an expanded home market. The power to produce grows in line with the domestic power to consume (Frankenhoff, 1962). The institutional Fair Trade studied here is based on products designed for export. Yet, however fair the terms may be, because of its export focus, Fair Trade creates a dependency on foreign markets. By following Prebisch's model, producers sell their Fair Trade products to a home market, with less risk and greater sustainability for themselves. Today, producers and governments, especially in South America, are looking at local trade models such as these and calling them Community Fair Trade, or *comercio justo*.
- **Hybrid Trade** Often Fair Trade producers sell on multiple levels. While the majority of product may be sold via membership with a global Fair Trade institution, some product is also sold via a direct trade relationship and also in local domestic markets. Producers often have a larger definition of Fair Trade than the narrowly focused one provided by institutions. For them Fair Trade, means an exchange that was fair to all, one that operated at a low risk and was environmentally and culturally sustainable. They saw the institutions' emphasis on exports and fair wages as a part of the fairness in Fair Trade. They also saw the development of their own internal markets as being another, equally important part of it.

Conclusion

Fair Trade focuses on creating economic opportunities for disadvantaged producers in the developing world. Development in a non–Fair Trade context is understood as a "systematic investment, including technical advice, in programs organized in developing countries with

their cooperation and close involvement" (Hosken, 1991, p. 13). What is left out of this model is the relationship and market development created by Fair Trade. Market access and ongoing support are key determinants for the long-term viability and success of a development project. Fair Trade institutions with their universal focus on sustainability, empowerment, and improvement, create a model of trade where self-imposed restrictions help to create conditions that benefit the most disadvantaged producers. Fair wages, culturally appropriate development, long-term relationships, technical assistance, and good working conditions are financially supported as concerned consumers seek out Fair Trade's carefully crafted products as a way of financially supporting their values. Fair Trade institutions work to promote Fair Trade, making it more visible and educating consumers on the effects of their consumption choices.

Supplemental Materials

Pioneers in Fair Trade

The idea of Fair Trade was dreamed up and realized by different people at different times but with similar results. The following are profiles of two of Fair Trade's early pioneers, Dr. Francisco VanderHoff Boersma and Edna Ruth Byler. Boersma and Byler independently created the basis of the Fair Trade models. At the time when they started in the 1940s and 1970s, there were no institutions, stores, or support. Even the term "Fair Trade" did not exist. These pioneers were on their own, following a vision they had, and creating the foundation for today's multibillion dollar Fair Trade industry. Byler pioneered Fair Trade for handicraft producers while VanderHoff pioneered certified fair trade for farmers. Both acted independently, based on their own vision, faith, and assumptions, yet the product they created, a replicable model of Fair Trade, is very similar.

Read the case studies of the Fair Trade pioneers below and then complete the following activity.

1. Make a chart of the similarities in Byler's and VanderHoff's experiences and models.
   For example, both received backing from a religious institution. What other similarities were there?
2. Examine each similarity and determine how it helped them to be successful in their endeavor.
   Could they have been successful without any of these?

3. Do you think these similarities are requirements for all successful Fair Trade endeavors?
   Why or why not?
4. Make a chart of the differences in Byler's and VanderHoff's experiences and models. What shaped these differences?
5. Was it possible for Fair Trade to have developed differently based on these differences?
   Why did this not happen?

Profiles

Dr. Francisco VanderHoff Boersma—Fair Trade Coffee

Francisco VanderHoff Boersma was born in Holland in 1939. He attended the Dutch Radboud University Nijmegen as an undergraduate. Later VanderHoff traveled to Germany and earned two PhDs, one in political economy and the other in theology. He became ordained as a Roman Catholic priest, and in 1970 VanderHoff traveled to Santiago, Chile, to work as a parish priest. A 1973 coup created dangerous conditions for foreigners in Chile and the church relocated VanderHoff to Mexico City. Here the priest worked in the slums for seven years before being transferred to Oaxaca (Hooijberg & Van Der Kaaij, 2003).

It was in Oaxaca, southern Mexico, that VanderHoff learned about the challenges and hardships of the region's coffee growers. The farmers were receiving very low prices for their coffee beans. These prices were set by "coyotes," or local traders, who purchased and transported the green coffee beans at very low prices and resold them at a profit in larger urban or export markets. The rural farmers had no access to price information or transportation and were dependent on the coyotes as their only source of market access. VanderHoff was already familiar with urban poverty but the plight of the rural farmers, he felt, was a situation that could be changed. "I'm fed up with churches praying for the poor," he proclaimed. A year later, in 1981, VanderHoff helped launch the region's first coffee cooperative, the Union of Indigenous Communities of the Region of Isthmus (UCIRI). Here farmers pooled resources and worked together to get their goods to market, bypassing the coyotes. This improved conditions for the farmers a little, though the price and quality of their coffee was still not very good (VanderHoff, 2002).

A few years later in a Dutch train station, VanderHoff met economist Nico Roozen from Solidaridad, a Dutch development agency

focused on promoting social justice. Together the two men created the Max Havelaar Fair Trade label, the first labeling of its kind that launched the idea of a certified Fair Trade product. The name, Max Havelaar, was chosen based on a character in a best-selling nineteenth-century book about the exploitation of Javanese coffee plantation workers by Dutch colonial merchants. Max Havaalar certified coffees, rolled out in 1988, guaranteed that producers followed various social and environmental standards and received a fair price for their coffee production. The fair price was significantly higher than the market price. The raw, green beans were exported to the Netherlands where they were roasted and packaged for sale in Dutch world shops and retail outlets. The product sold well and soon the idea was replicated in several other markets (VanderHoff, 2002). By 2002, farmer membership in UNCIRI had grown to 2,076 (Murray, Raynolds, & Taylor, 2003). By 1997, Max Havaalar and other similar labeling projects arranged themselves under the umbrella organization, Fairtrade Labeling Organizations International (FLO). In 2006, FLO labeled sales in the Netherlands were $53 million (FLO, 2007). In addition to the label, VanderHoff also set up the Max Havaalar Foundation that works with businesses, civil society organizations, and individuals in the Netherlands to improve the position of producer organizations and support consumer citizen movements (Max Havelaar Foundation, 2012).

A quote from VanderHoff, "To see the world of today from below, from the poor, does not make the world nicer, but at least more hopeful and challenging. To live together in this world of poor small Indian farmers in the mountains of southern Mexico is not only a privilege, but also a divine privilege. To see in the eyes and in the hands of farmers, women and men, is to see the divine of the poor God with different names and stature. And taking this serious in your own life, body and soul, is turning poverty into a divine challenge: to create a world as a good and pleasant place to live in for everyone, always starting on the spot you are" (2005).

Edna Ruth Byler—Fair Trade Handicrafts

Edna Ruth Byler was born near Hesston, Kansas in 1904. She grew up in a Mennonite community, attending a one-room school with mostly Pennsylvania Dutch classmates. Byler graduated from Hesston College, a Mennonite school, where she met her future husband, Professor J. N. Byler. Byler went on to pursue a PhD at the University of Colorado in Boulder, before moving east to Pennsylvania to work

with the Mennonite Central Committee (MCC) (Preheim, 1986). While her husband was sent to France to oversee relief work, she stayed behind and worked with the MCC and raised her two children.

In 1942, her husband returned, and in 1946 while on a Mennonite mission trip to Puerto Rico with her family, Byler was introduced to local needlework handicrafts (Preheim, 1986). Impressed with the skills of the impoverished women, Byler agreed to market their goods to other Mennonite congregants in the United States. Using her ties to the MCC, and selling from her basement and car, she was able to soon develop a network of sales outlets in local churches across the United States and Canada (Preheim, 1986).

In 1962 Byler's sales evolved into SELFHELP Crafts of the World and became a part of the total relief, rehabilitation, and development program of MCC (Yoder, 1989). Mennonite values include compassion, service, mutual aid, and peacemaking. The purpose of the SELFHELP organization was to provide "fair paying employment" for those in less developed countries to help them exert control over their lives and meet their basic physical needs (Grant & Rinehart, 1991). Byler passed away in 1976, but the organization SELFHELP Crafts continued to grow.

By 1990, SELFHELP worked with 65 producer groups around the world producing products such as handcrafted jewelry and baskets, handwoven mats, lace tablecloths, clothing, items carved from rare woods such as teak and ebony, ceremonial masks, greeting cards, and even some packaged food such as wild rice (Grant & Rinehart, 1991). Canadian store manager Sue Daley was heavily promoting the store through advertising, events, volunteer educational programs. She had a vision to grow her tiny 640 square foot store into a thriving 2,000 square foot outlet. However, with just a 25 percent markup on retail, SELFHELP Crafts barely covered its operation costs. The business relied heavily on church members to educate congregates and the public about the producers behind the crafts. "Hands that are working don't have to hold begging bowls," stated one of Daley's early promotional pamphlets.

In 1996, SELFHELP became Ten Thousand Villages, a nonprofit, retail company that grew to include more than one hundred stores in the United States and Canada. The name, Ten Thousand Villages, came from a Mahatma Gandhi quote, "India is not to be found in its few cities but in the 700,000 villages . . . we have hardly ever paused to inquire if these folks get sufficient to eat and clothe themselves with" (Ten Thousand Villages, 2012). By 2008, the company's sales had surpassed $25.5 million with 33 percent of sales being paid back

to artisans (Wolfer & del Pilar, 2008). The store continues to grow and by 2012, there were 390 retail outlets in the United States alone selling products from 38 different countries, 124 artisan groups, $7.1 million of crafts purchased, and gross sales of $27.7 million (Ten Thousand Villages, 2012). Ten Thousand Villages is a founding member of the World Fair Trade Organization (WFTO) and also a member of the FTF. Its vision is that "one day all artisans in the developing countries will earn a fair wage, be treated with dignity and respect and be able to live a life of quality" (Ten Thousand Villages, 2012). Sixty-six years, and millions of dollars later, this still parallels Byler's SELFHELP Crafts' original goal of fair paying employment and self-determination.

2

The Four Pillars of Fair Trade: Institutions

Pillar I—Fair Trade Institutions

The few large Fair Trade institutions that make up pillar I of Fair Trade are important influencers and promoters of justice. They form the communication bridge over which producers and consumers engage, sharing in goods and stories. They also set the guidelines, standards, and meaning of Fair Trade that are applied to producers and taught to consumers. Fair Trade guidelines vary as does the definition of Fair Trade and institutions' missions. This diversity in approaching Fair Trade without a unified definition or method enables a larger experience of trade to emerge and makes Fair Trade a greater model of justice. Starting in 1998, there are now four principal Fair Trade institutions with members representing over 7.5 million Fair Trade producer families, 32,500 different Fair Trade products, and over $6.8 billion in annual sales (Fairtrade Foundation, 2012; Fair Trade USA, 2011; Fairtrade Labeling Organizations International – FLO], 2011). These institutions are the European-based World Fair Trade Organization (WFTO) and Fairtrade Labeling Organization (FLO) and the US-based Fair Trade Federation (FTF) and Fair Trade USA (FTUSA). All emerged in or close to the decade of the 1990s (Figure 2.1).

Together these institutions form a global Fair Trade movement, building equitable and sustainable trading partnerships and creating opportunities to alleviate poverty. How and to what degree this is achieved varies among institutions and is the topic of debate. There is no universally accepted of definition of Fair Trade though most institutions are in general agreement with the definition developed together and approved by the members of the informal working group

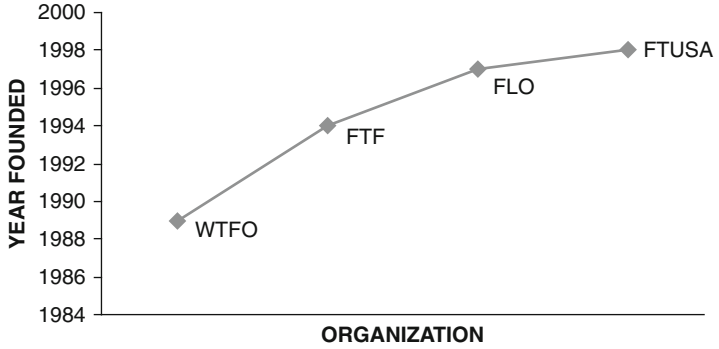

Figure 2.1 The emergence of the four leading Fair Trade institutions (Stenn, 2012).

FINE in 2001. FINE stands for four international Fair Trade institutions FLO, IFAT ([International Federation for Alternative Trade] now the WFTO), Network of European World Shops (NEWS) that is a consortium of Fair Trade retail outlets, and the European Fair Trade Association (EFTA) that serves Fair Trade importers:

> 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. (World Fair Trade Organization & Fairtrade Labelling Organizations International, 2009)

Mission statements among the principal Fair Trade institutions are similar and use terms such as "sustainable," "strengthen," "improve," "empower," and "promote" (Figures 2.2–2.5). However, how the missions of sustainable empowerment and growth are achieved differs among institutions. Some institutions certify products, while others do not. Some recognize large-scale agriculture and hired labor as part of Fair Trade while others only recognize small farmers and their families. Fair Trade certifiers focus primarily on health, safety, labor, and pricing while noncertifiers are more focused on organizational business practices, networking, and business development. While not mutually exclusive, these focal differences help build diversity and expand justice within Fair Trade with plenty of controversy and debate.

Fair Trade Mission Statements

Fair Trade USA enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry and the earth. We achieve our mission by certifying and promoting Fair Trade products. (Fair Trade USA [FTUSA], 2012a)

Figure 2.2 Fair Trade USA logo.

The Fair Trade Federation is a trade association that strengthens and promotes North American organizations fully committed to fair trade. The Federation is part of the global fair trade movement, building equitable and sustainable trading partnerships and creating opportunities to alleviate poverty. (Fair Trade Federation [FTF], 2012)

Figure 2.3 Fair Trade Federation logo.

WFTO's mission is to enable producers to improve their livelihoods and communities through Fair Trade. WFTO will be the global network

and advocate for Fair Trade, ensuring producer voices are heard. The interests of producers, especially small farmers and artisans, should be the main focus in all the policies, governance, structures and decision making within the WFTO. (World Fair Trade Organization [WFTO], 2012)

Figure 2.4 World Fair Trade Organization logo.

Our mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives. (FLO 2011)

Figure 2.5 Fair Trade International logo.

Fair Trade Institutions

The WFTO founded in 1989 and based out of the Netherlands, is the pioneer institution of Fair Trade and the only one that works with the entire Fair Trade chain from producer to retailer (Warrier, 2011). It is also the most active and accessible institution for artisan groups worldwide. The WFTO has members in five regions: Europe (29 percent), Asia (27 percent), Africa (21 percent), Latin America

(16 percent), and the Pacific Rim (7 percent) (WFTO, 2012). Each region houses an office and a board that operates in the same culture and language as many of the producers. The WFTO (2010) identifies the following ten standards that members are required to uphold. We will use this standard as our main reference when moving forward and looking at other Fair Trade institutions. This will help to create a common language for understanding how Fair Trade can be interpreted and experienced on an institutional level.

- Standard One: Creating opportunities for economically disadvantaged producers.
- Standard Two: Providing transparency and accountability in management and commercial relations.
- Standard Three: Engaging in trading practices that show a concern for the social, economic, and environmental well-being of producers and do not maximize profit at their expense.
- Standard Four: Paying a fair price to producers.
- Standard Five: Refraining from using child or forced labor in production.
- Standard Six: Promoting nondiscrimination, gender equity, and the freedom to organize among producers.
- Standard Seven: Providing a safe and healthy working environment.
- Standard Eight: Building capacity by providing opportunities for positive development among small, marginalized producers.
- Standard Nine: Promoting Fair Trade by raising awareness of the aim of Fair Trade and the need for greater justice in world trade through Fair Trade.
- Standard Ten: Protecting the environment through the production of products that maximize the use of raw materials from sustainably managed, local (when possible) sources (WFTO, 2012).

The US-based, FTF located in Wilmington, Delaware, serves US- and Canadian-based members, many of whom work with foreign producer groups as wholesalers, retailers, or producer group representatives. Founded in 1994, the FTF's focus is on strengthening and promoting North American organizations fully committed to Fair Trade (FTF, 2012). This is done by expanding US markets for global artisans and farmers through member directories, listserves, data sharing and collaboration, and links to Fair Trade events (Warrier, 2011). The FTF strives to help members to demonstrate the ways that trade

can help to alleviate poverty, reduce inequality, and create opportunities for people to help themselves through increased product sales to US markets (FTF, 2008). The WFTO and the FTF are the two main institutions that support artisans in Fair Trade.

US-based Fair Trade USA was founded in Oakland, California, in 1998. A certifier and marketer of Fair Trade agricultural products, this nonprofit institution managed a $10 million budget in 2009. Until 2011, Fair Trade USA was a member of the FLO. Fair Trade USA puts specific emphasis on fair wages, training, and environmental conservation and recently embraced empowerment as a core part of its Fair Trade principles. They loosely apply their principle of credit access by stating, "U.S. importers are encouraged to offer commercial credit to farmers" (FairTrade USA, 2011). Market Access is also loosely applied with Fair Trade USA stating that "most Fair Trade farmers develop the business capacity to export their own harvests" (FairTrade USA, 2011). Fair Trade USA serves specific industry categories including Fair Trade coffee, chocolate, vanilla, wine, flowers, body care, apparel and linen, quinoa, seeds, nuts and oils, beans and grains, honey, fruits and vegetables, rice, herbs and spices, sports balls, and cotton. They also support a US program that certifies Fair Trade towns and universities encouraging students and citizens to educate others about the benefits of Fair Trade consumption. There are currently 24 towns and a handful of universities recognized by Fair Trade USA (2012c).

Fairtrade International, also known as FLO, based in Bonn, Germany, is a group of 25 Fair Trade member organizations that support producers, develop a global Fair Trade strategy, and promote trade justice. Established in 1997, FLO was set up as an umbrella organization to unify through the formation and support of a single logo, different Fair Trade labeling initiatives including: Max Havelaar in Switzerland, Belgium, and France; Transfair in the United States, Japan, Germany, and Canada; Fairtrade Mark in England and Ireland; Rättvisemärkt in Sweden; and Reilu Kauppa in Finland. The logo is the most widely recognized of all fair trade logos and is present on over two thousand products worldwide. FLO works through locally placed Liaison Officers in 50 producer countries to link producers with buyers, provide technical assistance and training, and oversee producer's compliance with FLO's Fair Trade guidelines (Figure 2.6).

Though Fair Trade methods may vary, outcomes do not. The effects of Fair Trade from 1999 to 2009 in different industries and places globally are captured in 23 different published academic and development agency studies that included journal articles, working papers, and reports. These contain 33 case studies, the majority of

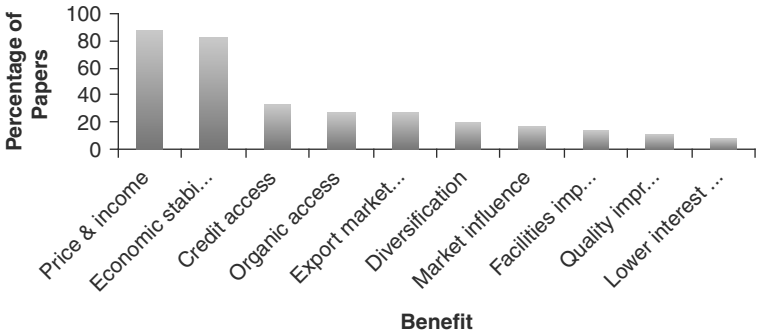

Figure 2.6 Institutions' principles and standards set up to achieve their Fair Trade missions vary among institutions.

which are studies of small coffee farmer associations in Latin America (Nelson & Pound, 2009). More than 80 percent of the studies found that Fair Trade increased income and economic stability for producers. In addition, more than a quarter found Fair Trade brought them access to credit, organic certification, and export markets. Several also benefitted from diversification, improvements, and more market control (Nelson & Pound, 2009).

Fair Trade and Growth

Fair Trade is a highly successful model. It delivers what it set out to do, creating economic advantages for impoverished producers and improving their quality of life. The model appeals to consumers who support Fair Trade efforts through purchases. However when scaled up, Fair Trade's humble approach of helping others through carefully developed trade, becomes very different. With the tremendous growth of Fair Trade comes an increase in the power and influence of Fair Trade institutions and non–Fair Trade companies wanting Fair Trade market access (Reinstein and Song, 2008). Fair Trade certifiers FLO and Fair Trade USA monitor multimillion dollar Fair Trade agricultural production of crops such as chocolate, cocoa, sugar cane, and bananas. Their customers are often large corporations who have many other non–Fair Trade brands and do not as a company follow Fair Trade guidelines themselves. In 2012, Fair Trade USA provided Fair Trade certification services for licensed partners General Mills, Dole Foods, Domino Foods Incorporated, Nestle, Starbucks, Ben & Jerry's, J. M. Smucker Co., and Upton Tea (Fair Trade USA, 2012c). Fair Trade USA partners such as Starbucks, Domino Foods, and Dole

Foods have been cited for unethical trade practices including labor law violations, human rights violations, and human trafficking in their non–Fair Trade product lines and corporate operations (Cowgill, 2012; Kaufman, Marie, & Man, 2012; International Labor Rights Forum, 2012; NLRB, 2008). Fair Trade participants question the appropriateness of Fair Trade certifiers enabling large corporations that do not embrace Fair Trade values within their own organizations to present themselves as Fair Trade supporters. They feel that by giving corporations access to Fair Trade as a brand enables unethical companies to use Fair Trade to appeal to more ethically minded consumers and mask their own unethical practices. In addition, the issue of corporate power makes industry members wary as they note the tremendous influence that large corporations paying millions of dollars in licensing fees can have on Fair Trade institutions. They fear that standards will be lowered to make Fair Trade more accessible to companies more interested in easy market access than affecting real, meaningful change.

Some Fair Trade guidelines are relaxing. US-based Green Mountain Coffee Roasters (GMCR) is the world's largest buyer of certified Fair Trade coffee purchasing more than 50 million pounds of the product in 2011 (Fair Trade USA, 2012a). However, Fair Trade coffee made up just 28 percent of GMCR's total coffee purchases. GMCR wanted to increase their percentage of Fair Trade coffee not by buying more Fair Trade coffee from existing Fair Trade producers or encouraging more small farmers to enter into the system, but by working with Fair Trade USA to make the large 500-acre conventional coffee estates they already worked with, Fair Trade certified (Neuman, 2011). Previously, this size farm would have been too large for Fair Trade certification that focuses on creating opportunity for the most disadvantaged. However FTUSA saw this as an opportunity and launched a large-scale Fair Trade certification pilot program for GMCR on a 500-acre coffee estate in Brazil. Many Fair Traders view these large estates as being in competition with the small farmers Fair Trade was set up to serve.

Rudi Dalvai, director of the WTO explained that Fair Trade organizations are concerned that companies will increase their volume of Fair Trade products sold, "not because they have changed their [production or sourcing] policy, but because they have been able to change the Fair Trade policy" (2012). So instead of developing and engaging in new Fair Trade production by sourcing and creating more opportunity for small producers, large influential companies can just retrofit modified Fair Trade principles to preexisting non–Fair

Trade production, creating an appearance of fairness that may not actually exist, and building a new level of competition for small Fair Trade farmers who already struggle with sufficient market access and a lack of long-term sales. Dean Cycon, founder of the Dean's Beans Organic Coffee Company echoed this, "Starbucks, Green Mountain and other coffee companies will be able to become 100 percent fair trade not because they've changed their business practices one iota but because Fair Trade USA has changed the rules of the game" (Neuman, 2011). Phyllis Robinson of Equal Exchange, the largest Fair Trade coffee cooperative in the United States further explained, "Fair Trade is about transformation and this structural change only comes about by demanding and growing alternative models to the current system. It requires a commitment to small farmer organizations, to opening markets for small farmers, and to building a network of informed, educated and active consumers" (Robinson, 2011). Michael Sligh, founder of the US-based Domestic Fair Trade Association (DFTA), recognized that there was a "major split in this vibrant movement," and called for the Fair Trade movement to "act swiftly to strengthen and protect its core credibility" (Sligh, 2012). Fair Trade USA's Funkhauser weighed in stating, "I believe firmly there is room for all and need for all in the Fair Trade system. We all have a common goal of eliminating poverty. It is OK to have different approaches" (Personal phone conversation, T. Stenn, December 12, 2012c).

The motivation of Fair Trade institutions, creating opportunities for others, is also a self-enhancing one; doing good for others enhances one's own well-being. By completing this on a large scale, institutions pave the way for many to engage in Fair Trade and enhance others' well-being as well as their own. Through the charging of membership and licensing fees for involvement and inclusion, Fair Trade institutions essentially create a business out of justice.

Justice and Change

As Fair Trade grows what is in flux are its guidelines, the *niti*-centered aspect of Fair Trade that encompasses rules, regulations, laws, and enforcement. Fair Trade as *nyaya* is intact. There is still universal agreement on the overarching goals of the Fair Trade institutions to promote, strengthen, improve, empower, and sustain the *nyaya*-based justice values. Fair Trade institutions engage in justice on two levels, through their *niti* Fair Trade guidelines and their *nyaya*-based missions. Sen's concept of plural grounding, a way of looking at

sometimes conflicting viewpoints as a greater whole focusing on the "what" instead of the "how," can neutralize a polarized *niti* situation, making it more *nyaya* (2009). Plural grounding recognizes that justice emerges from discourse, debate, conflicting ideas, and diversity. It broaden one's perspective to identify commonalities and recognize multiple and sometimes conflicting ways of being through public reasoning and open discussion. "Reasoning," wrote Sen, "is a robust source of hope and confidence in a world darkened by murky deeds—past and present" (2009, p. 46).

Fair Trade institutions go beyond being simply self-enhancing business models, they engage in plural grounding regularly as they bridge cultures, participate in discussion, and are in the front ranks of mobilization against poverty. Annual meetings, conferences, projects, meetings, and volunteerism are all part of the Fair Trade institution culture that values greater understanding, collaboration, and open discussion. Fair Trade is about relationships, trust, collaboration, and cooperation. As the industry engages in plural grounding more approaches to Fair Trade emerge. For example, Equal Exchange supports the presence of cooperatives in Fair Trade. Thousands of small coffee farmers support the Small Farmers Symbol (SPP) that has 48 guidelines including maximum and minimum farm size, the number of paid outside workers, and an annual 5 percent growth requirement in orders from buyers (Hanlon-Wilde, 2012). In 2013, FLO opened an office in the United States to provide an alternative to Fair Trade USA certification. As the industry grows and reshapes itself through changes in the *niti* guidelines, the *nyaya* mission of Fair Trade stays clear, promoting greater equity and better trade conditions for marginalized people worldwide. The diversity provided by Fair Trade institutions enables them to affect greater justice.

Conclusion

Fair Trade institutions set the standards and image of Fair Trade. They provide their seals of approval, educating both producers and consumers about what Fair Trade is and means. They provide the oversight, accountability, and different ways to meet the demands and needs of an ever-changing world and a growing consumer market. The institutions' incongruences at first may appear conflictive, confusing, or inadequate, though upon further scrutiny are all working toward greater justice. Engaging in plural grounding allows a tolerance of contradictions to take place, a diversity of approaches to be realized, and the movement toward greater justice to emerge. As large

steps are taken, for example, by including coffee estates in Fair Trade certification, new spaces are opened for further expansion as well, as in the emergence of the SPP. This enables Fair Trade to move forward down many different paths driven by a diverse array of missions geared toward achieving greater sustainability and justice, with each arriving in its own time and way.

Supplemental Materials

Sen supports taking a *nyaya* approach toward understanding conflictive views of a situation by accepting that there are many different ways in which a common goal may be achieved. Before accepting these different ways, it is helpful to more deeply scrutinize and understand them. Often new ways of thinking or working together emerge.

The central arguments in Fair Trade focus on the dynamics of scaling-up as institutions consider how or should Fair Trade become larger. Producers want to increase sales, but they want it to happen in a meaningful, careful, and sustainable way. Foreign markets are highly competitive and value efficiency over sustainability. In becoming more efficient, a greater amount of product is sold more quickly with lower overall costs. Institutions acting as bridges between producers and foreign markets, are left to balance both needs creating something known as sustainable growth. Sustainable growth is often looked upon as an oxymoron. Critics claim the act of growth itself creates an off-balance that negates sustainability.

Procedure

Plan for 60 to 90 minutes per fishbowl exercise depending on the group size. Modifications of this exercise are presented below if time is a factor. A fishbowl can be done with as few as 5 and as many as 30 participants. Fifteen is an ideal number. For groups larger than 30 it is recommended to split the groups and have two or more, fishbowls going. When using multiple fishbowls, participants can move into different fishbowl circles helping to further circulate ideas and viewpoints.

To conduct the fishbowl, participants volunteer or are requested to enter into the center seats (group A). Among themselves, they discuss the question at hand for 15 to 20 minutes, speaking loudly enough for the others observing to hear them. The first fishbowl question presented for this exercise is: How can institutions grow Fair Trade in a meaningful way?

A facilitator can prompt the group by asking their thoughts on big-box stores selling Fair Trade, the presence of large plantations in Fair Trade production, and other controversial issues. Observers (group B) can take notes but cannot interact or comment on what is being heard and observed. After 15 to 20 minutes, group A participants stop and turn toward the group B participants. One by one, each group B participant recalls what was heard and the related feelings. After all of group B has shared their ideas, group A participants turn inward again and engage in a new round of discussion for 10–15 minutes incorporating what was shared. When the time is up, group A participants enter into group B, and group B members fill their seats.

In this second round of fishbowl a new question is introduced: How can Fair Trade grow in a meaningful way?

Discussions can be set at 10 minutes if time is an issue in this second round. After group A has discussed, group B has given their input and group A has discussed again, all participants join together for a final debriefing where a summary of ideas are shared. These can be written by participants or the facilitator on flip chart paper for future reference.

Dynamic Modification

To create a more dynamic fishbowl that could lead to more varied, but less focused discussion in a shorter amount of time, three to five empty chairs are placed in the inner circle with chairs for all participants circled around them. As a participant has an idea to share on the discussion topic, they take a seat in the center circle and speak their idea. Another participant joins them and shares their idea and a discussion ensues. Others join in the discussion by occupying the empty chairs. Once all chairs are full, the first person who entered the group or has been in the group the longest, leaves. The object is to always have an empty chair available. Dynamic fishbowl discussions can go on for 20 to 30 minutes with the entire group then giving individual feedback on what was heard and the related feelings. After this first round, the second discussion question is introduced and the process begins anew. If groups have difficulty engaging in this fishbowl style at first, facilitators can begin as “discussants” and start a the conversation for others to participate in, leaving as the other seats become full.

3

The Four Pillars of Fair Trade: Consumers

Pillar II—Fair Trade Consumers

Consumers who support Fair Trade are often labeled as socially responsible, ethical, green, and eco-friendly. So were the products that were being marketed toward them. Fair Trade products were coming to consumers from many different avenues. Some originate at local coffee roasters who sell steaming cups of retail-priced Fair Trade lattes and cappuccinos. Other Fair Trade products are found at growing numbers of green festivals, cultural bazaars, eco-selling events, and church sales. Still others are found in Fair Trade specialty stores such as eco-boutiques, or chains such as Ten Thousand Villages. Fair Trade goods are also present in mainstream markets being sold at over 40 thousand supermarkets in the United States alone and large retail outlets such as Walmart, or chains such as Dunkin' Donuts, Starbucks, and McDonalds (Krier, 2008, p. 14). Still more Fair Trade products become brands or ingredients, purchased and managed by large corporations such as Nestle (commercial coffee service, Kit Kat), Avon (body cream), and General Mills (Lara Bar) (Fair Trade USA, 2012c). Thousands of small, independent Fair Trade wholesalers and retailers also work directly with producers and sell their goods online and at industry trade shows.

Fair Trade sales are lucrative and growing. According to a study by independent research company Price Waterhouse Cooper (PwC), the proportion of ethical consumers in the United Kingdom (UK) is among the highest in the world (Misser, 2006). A survey of four thousand UK consumers found that shoppers buying Fair Trade products rose from 20 percent in 2005 to 50 percent in 2008 (Misser, 2006, p. 1). According to the *Financial Times*, as of 2004, UK's fair-trade

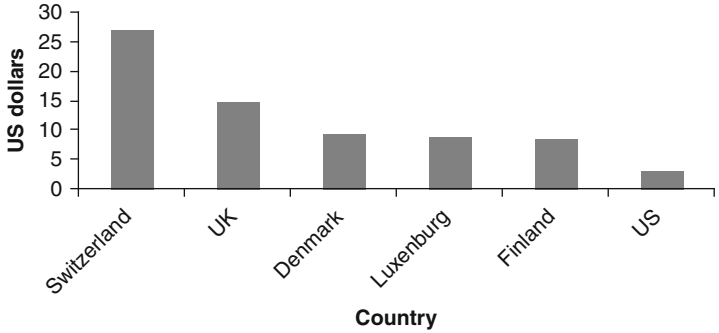

Figure 3.1 Per capita consumption of certified Fair Trade goods (Krier, 2008, p. 19).

market was valued at $400 million, while spending on green goods and services totaled $7 billion in the United States (Misser, 2006, p. 1). PwC also reported that Fair Trade's Fair Labeling Organizations (FLO) estimated that between 2003 and 2004, Fairtrade-labeled sales grew globally by 56 percent to over 138 thousand tons and annual sales have consistently grown since 1997 (Misser, 2006, p. 2). Not all consumers were equal. US consumers are the biggest consumer spenders in the world. US per capita household consumption expenditures in 2007 were $27,608, more than seven times higher than the world average of $3,710 and 21 percent higher than household consumption expenditures in the UK (World Bank, 2012).

Nevertheless, US consumers were less supportive of Fair Trade than their European counterparts (Figure 3.1). For example, UK consumers with lower household consumption expenditures individually out-purchased US consumers more than 4:1, in the Fair Trade goods category (Krier, 2008, p. 19). Despite strong European support and significant inroads made in the US market, Fair Trade still makes up less than 4 percent of the UK retail market in 2008, less than 1 percent of all coffee sold worldwide and was essentially nonexistent in the scope of trillion dollar world markets (Fairtrade Foundation, 2009).

Consumer Behaviors

A 2009 poll of 14,500 people across 15 countries found that more than half self-identified as "active ethical consumers," yet Fair Trade consumption rates did not reflect this (Fairtrade International, 2009). A smaller study in the United States found that three times as many people knew what Fair Trade was than actively sought to purchase

it (Keene State College, 2012). Other studies found an ethics gap between consumers who claimed they would purchase ethical products and those who actually did. Researchers Low and Davenport expressed this as the 30:3 Syndrome, where almost, a one-third (30 percent) of consumers surveyed suggested that they cared about a company's policies and practices of social responsibility though most ethical products had no more than a 3 percent market share (Low & Davenport, 2007). In response to these findings, UK's Sustainable Consumption Roundtable stated, "We know that there is a considerable gap, the so-called 'value-action gap,' between people's attitudes, which are often pro-environmental, and their everyday behaviors" (Visser, 2011, chap. 8). A value-action gap or 30:3 Syndrome, occurs when a person claims to value something but does not always support it in their actual behavior, for example, claiming to value Fair Trade but not purchasing it.

Some businesses try to bridge this value-action gap and lure active ethical consumers with promises of fairness and sustainability within their products and services. For example, Starbucks positions itself with ethical consumers as a Fair Trade coffee supplier though less than 8 percent of its entire product line was Fair Trade in 2010 (Starbucks, 2012). Exaggerated marketing messages cause confusion and distrust among consumers and negatively impact their decisions to engage in Fair Trade, thus growing the value-action gap. However consumers are not passive and influence change through action and advocacy. Fair Trade consumers have often been called irrational because they appear to engage in behavior such as buying premium priced goods, which did not economically benefit them. Upon further scrutiny it becomes clear that Fair Trade consumers are actually quite rational, guided not by principles of monetary gain, but of ethical consumption and social responsibility. Rational Choice Theory (RCT) enables the value-action gap to be better understood.

The Rationality of Choice

RCT originated in the 1920s from the field of human sciences and is based on the assumption that people work in their own best interests, striving to build their position and make decisions for their own maximum benefit (Keynes, 1921). In an economic sense, RCT assumes that people, deep down, act rationally and in their own self-interest. For example, an individual might show empathy for a sad person, but the motivation for showing the empathy, in the spirit of RCT and Adam Smith's definition of self-love, was not to specifically make the

person feel better, but to make themselves feel better by lessening the sadness of the other person (Smith, 1975).

There are instances where the rational choice is not the actual choice made or does not seem to be rational to the observer. Herbert Simon writes of bounded rationality where, due to the lack of information or one's inability to understand available information, one might not make a rational choice that is in their own best interest, but choose to settle for something less that seemed to be good enough (1955). Greek philosophers coined the term, akrasia, which meant "weakness of will," to refer to instances, such as overeating, when one knew that the rational choice was to eat less, but failed to follow it. Economists call this behavior "bounded willpower" or "insufficient self-command" (Sen, 2009, p. 117). Bounded rationality and willpower, insufficient self-command, and akrasia are all present in Fair Trade consumption and create many exceptions for RCT.

Some argue that paying a dollar extra for a cup of Fair Trade coffee is an example of akrasia, bounded willpower, or insufficient self-command. The consumer knows that they are being charged a higher price for their coffee, but they pay it anyway. Their decision is not in their financial best interest, but for whatever reason, they could not resist the opportunity to pay extra for their purchase, and so engaged in costly Fair Trade consumption.

Bounded rationality enters into this example if the consumer is unsure if their coffee was actually Fair Trade or if they were just being charged a higher price to make it seem like it was Fair Trade. In this case, the consumer was working with incomplete information. They might have chosen to forgo the Fair Trade purchase and opted for a cheaper non–Fair Trade coffee because of this uncertainty. The consumer settled for something that seemed fair enough, a cheap cup of coffee. They do not want to waste their money on a coffee that did not seem to really be Fair Trade, but they also did not want to make the effort to find a different coffee that they absolutely knew was Fair Trade (i.e., going to a more trusted Fair Trade coffee shop). They chose something in-between, something that was good enough—a lesser priced, non–Fair Trade coffee. Of course this coffee consumer could have decided to save money by brewing his or her own Fair Trade coffee rather than purchasing it, readymade, from costly coffee shops—a seemingly rational choice at the time too. Though one might choose not to be rational all of the time, one was able to "reason and scrutinize their own decisions and those of others" (Sen, 2009, p. 178). While one occasionally strayed from the demands of rationality, he or she did not go far. People committed to ethical consumption

do not regularly purchase fast food or sweatshop-made goods, icons of nonethical consumption. Just as rationality can be applied to one's own behavior, it can be applied to thinking about bigger things such as the nature of justice.

In response to RCT, Sen introduced the more liberating idea of rationality of choice, which shows that reasons for what appear to be irrational choices, are actually quite rational and sustainable upon scrutiny. For example, suppose a Fair Trade coffee consumer insisted on buying small, half-pound bags of coffee each week from the local grocery store. They knew that a five pound bag cost less and would reduce the number of trips to the store—saving time and even more money. Yet the consumer instead, apparently less rationally, chose to buy many small quantities of coffee, more frequently, and at a higher price. This appeared irrational.

What was not apparent was that the consumer rode his or her bicycle to the grocery store each week and could not carry the larger bag of coffee home on the bicycle. Also pedaling to the grocery store each week was an important part of the customer's exercise routine. So though spending more time and money on coffee purchases at first seemed irrational, when understood in the context of the choices made, it was perfectly rational. They made a rationality of choice that was also automatic. The consumer did not stop to contemplate the different sized coffee bags with each trip to the grocery store. The consumer engaged in the choice process. Sustained reasoning meant that she or he did not reengage in rational and un-rational questioning, for example, about time versus money versus exercise with each purchase. Instead, the consumer chose the small Fair Trade coffee automatically, without thinking. It had become a habitual choice that they would make again (Sen, 2009). The rationality of choice can reflect lifestyle values and can also reflect deeper social beliefs.

Global Orientation

In additional to value-actions, ethics, rationalities, and lifestyles consumers engagement in Fair Trade is affected by social beliefs as seen in their feelings of connectivity to others. Connectivity is expressed as empathy toward others who may not be directly known, feelings of shared humanity, and what researchers term, global cognitive orientation. A global cognitive orientation refers to one's growing global awareness when creating one's identity in the new world of rampant globalization—in other words one's awareness of self in the context of their global environment (Robertson, 1992; Waters, 1995). A

global cognitive orientation transcends country borders and represents an expanding awareness that enables one to better understand their global environment, form independent opinions of world events, and see one's self as an integrated global citizen whose actions affect real global change (Rosenau, 1990). A recent study identifies a correlation between an individual's global cognitive orientation and their propensity to engage in Fair Trade consumption (Llopis Goig, 2007). Researchers find that with a shared global cognitive orientation, new values are developed independent of the larger culture in which one lives, and groups that embrace these values are formed (Brown, 1995; Giddens, 1999).

As consumers, many exhibit the characteristics of ethical consumers, which means that they demonstrate a greater sense of personal responsibility for their consumption habits, concern about product safety, knowledge about product ingredients, and awareness of the impact that a product has on their own health and the environment (Durning, 1994; Crocker & Linden, 1998). The ethical consumer was also found to be more reflective and to build his or her identity around the values of ethical consumption. Ethical consumption values include "solidarity, multiculturalism, respect for human rights and ecology." (Llopis Goig, 2007, p. 469). The main goals of Fair Trade—guaranteeing a stable income for workers, improving workplace safety and health, increasing opportunities for women, and protecting children, minority, and environmental rights—appeals to ethical consumers (Solé, 2003).

However, not all people with a global cognitive orientation share equal perspectives on Fair Trade. A 2001 study in Turkey found that while 95 percent of the people studied identified positively with having a global cognitive orientation, and felt that Fair Trade was a viable consumer alternative, only 40 percent felt it was a permanent trade alternative. The majority felt it was a simply a passing fad (European Fair Trade Association, 2001). A newer study in Spain further examined this variance in the global cognitive orientation and ethical consumerism and found that it could be divided into three subgroups or clusters. The three clusters were economic collaborators (36 percent), globally oriented (39 percent), or distrustful (25 percent) (Llopis Goig, 2007). Though all shared the same global cognitive orientation positional perspective, they expressed it in different ways as consumers.

The economic collaborators were composed of equal numbers of men and women aged 35 to 50 who worked largely in public administration, teaching, health care, and large industries. They had personal

experience working or volunteering with nonprofit organizations and felt confident about the role that these institutions played in supporting human rights and justice. Economic collaborators also reported feeling responsible as citizens to help others. They believed that both economic solidarity and meaningful consumption could lead to positive, transformative change for disadvantaged people (Llopis Goig, 2007).

The globally oriented cluster was made up of largely jobless university students under the age of 30. Though they shared many of the same beliefs as the economic collaborators group, for example, trusting nonprofit institutions in supporting human rights and justice, and they felt the same responsibility as citizens to help others, they did not have the economic resources to participate in Fair Trade as consumers. So, though the globally oriented students supported Fair Trade principles, they were not themselves Fair Trade consumers (Llopis Goig, 2007).

The distrusting cluster was composed largely of working males aged 35 to 55 who expressed their global cognitive orientation differently. They were distrustful and suspicious of nonprofit institutions and felt that governments and economic policy should regulate trade, not consumers. They felt a low level of global citizenry and though they had the means, they did not feel a responsibility to engage in Fair Trade consumption (Llopis Goig, 2007).

A US study finds a similar trend between income and Fair Trade engagement (Figure 3.2). As income rises, intentional Fair Trade purchasing drops off, but so does the person's Fair Trade awareness (Keene State College, 2012). Awareness also drops as age increases. Income and age show a positive correlation with income rising with age. This leaves one to wonder if the wealthier do not purchase Fair Trade because they are not aware of it, or as in the Spanish study, they

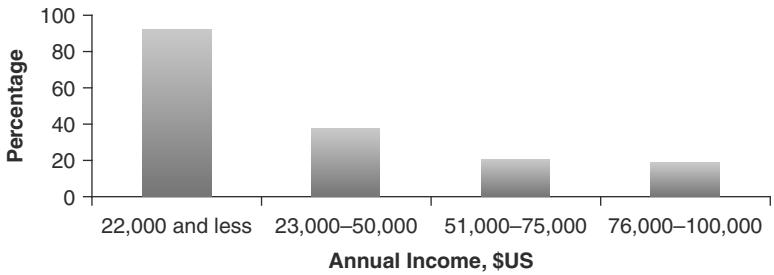

Figure 3.2 Income of respondents who go out of their way to purchase Fair Trade (Keene State College, 2012).

feel distrustful of nonprofit institutions, have weak feelings of global citizenry, and high levels of trust in the government to promote and achieve fairness in trade independent of consumer input.

Stepping Back

It is easy to get *niti* with consumer behaviors, the different ways in which consumers choose to engage in Fair Trade or not, and begin comparing positions among different groups, within groups, illuminating and diverting views, placing values and judgment while striving for objectivity. In the Spanish study, for example, everyone is viewing the same Fair Trade, but they are seeing and interacting with it in very different ways based on their own experiences and worldviews. While data on different group reactions to Fair Trade might be helpful in interpreting, or distorting, a situation, it can be limiting when understanding justice. "In the pursuit of justice," wrote Sen, "positional illusions can impose serious barriers that have to be overcome through broadening the informational basis of evaluations" (2009, p. 169). Examining Fair Trade consumers from a positional perspective shows how Fair Trade is experienced differently among different people. No one way was right or wrong, but rather they were all different. The merit of the research findings are in the identification of differences and are not meant as a way to place values or barriers. Examining the consumer from a broader perspective is key in understanding the many facets of Fair Trade, its relationship to justice, and the real, or potential impact it could have.

Comparative broadening, explained Sen, enabled a larger understanding of justice by creating a greater context in which to view a situation. Properly applied, comparative broadening leads to open impartiality, which Sen defined as a less judgmental way of seeing (2009). Open impartiality takes into account one's own innate humanness when viewing or experiencing a situation. Collectively, one engaged in economic, political, and social relationships daily. Though perhaps interpreted differently on an individual level, there exists collectively, shared common concerns about injustice and inhumanity. "There are few non-neighbors in the world today," wrote Sen (2009, p. 173). It is common for someone regardless of their age, income, or gender, to feel a sense of injustice when they see another person being cheated or abused. Our collective humanity connects us to the disadvantaged, as our own unspoken but shared sense of injustice is sparked. In this sense, we are all neighbors and all share a common understanding of and desire for justice. Engaging comparative

broadening to examine one's propensity for Fair Trade consumption from the perspective of everyone's collective desire for justice, would result in more commonalities than differences being found. How Fair Trade is understood on a personal level, is what motivates the consumer to engage in it, not how compassionate or "good" a person is, or how much fair Trade they buy. Comparative broadening is a *nyaya* approach to understanding justice and enables differences to be viewed in a unifying sense.

When applying comparative broadening to the example of Spanish citizens, the fact that the Spanish people studied had different levels of engagement with Fair Trade becomes secondary to their shared global cognition. Instead of drilling down to illuminate specific Fair Trade consumer actions, or inactions and creating differences and divisions within the group, comparative broadening looks at the commonalities of global cognition and builds upward upon this. A shared global cognition is the starting point for a larger conversation on the idea of justice and what one's role is in supporting it as a consumer. When the conversation is led by the building of commonalities rather than the listing out of differences, more possibilities, linkages, and understandings about Fair Trade and its relationship to justice arise.

Finding Fair Trade in the Marketplace

The *Ethical Consumer Report* defines an ethical consumer as one who embraced the idea of "personal consumption where the choice of a product or service exists which supports a particular ethical issue—be it human rights, the environment, or animal welfare" (Cooperative Bank, 2003, p. 7). The UK's ethical consumers purchased $28 billion of ethical products in 2002, the time of the publication of the *Ethical Consumer Report*. Fair Trade goods are considered to be ethical products.

As previously established, Fair Trade consumers are inconsistent in their Fair Trade purchasing no matter how much they report personally valuing their global citizenry and ethical consumption. It is difficult to assign standardized characteristics to Fair Trade consumers, or even make a general definition of them. This is because it is difficult for well-meaning consumers to "engage with complex issues of social injustice or environmental degradation" (Low & Davenport, 2007, p. 339). There are not always Fair Trade options for the products one seeks. Also Fair Trade products are sometimes more costly or of a lesser quality or design than non–Fair Trade products. Making ethical choices, studies showed, are important to consumers, but were

secondary to the "everyday business of consumption" and challenged by sustained reasoning (Low & Davenport, 2007, p. 339).

As Fair Trade products become more available in places of conventional retailing and mainstream markets the burden of making ethical consumer choices becomes even greater. "If alternative products [i.e., Fair Trade] enter existing market circuits, their environmental and social qualities become subordinated to their price, as occurs with other commodities" (Raynolds, Murray & Wilkinson, 2007, p. 299). While mainstream retailers see the benefit of selling Fair Trade products, they did not necessarily endorse the "radical, transformative message of fair trade," or even promote the products as being Fair Trade, especially when other store products are not Fair Trade (Low & Davenport, 2007). Fair Trade products are left to compete on their own in non–Fair Trade stores. This results in their Fair Trade status being overlooked or misunderstood. Fair Trade Federation members reported that more than a quarter of their retail customers are not interested in their Fair Trade status at all (Figure 3.3).

Studies show that traditional consumer motivations of "price, quality, brand, and convenience override ethical concerns, even when consumers are aware of ethical issues in the production, use and disposal of products" (Low & Davenport, 2007, p. 340). This is indicative of consumers' reliance on sustained reasoning, where they make buying decision out of habit rather than rationality of choice. While hundreds of thousands of Fair Trade products are affordable and easily available online, perceived issues of availability and cost are still major deterrents for non–Fair Trade consumers. Other studies found that Fair Trade products were often more expensive than conventional ones (Shaw et al., 2006; Low & Davenport, 2007; Cailleba & Casteran, 2010). Though not all Fair Trade products cost more than non–Fair

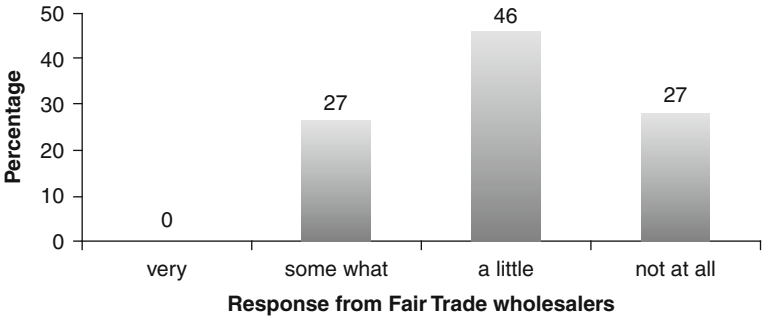

Figure 3.3 How important Fair Trade is to the retailers who sell it (Stenn, 2012b).

Trade ones. Fair Trade companies usually pay more for production than non–Fair Trade companies do. But Fair Traders do not have the high marketing and administrative costs that non–Fair Trade companies do. This enables many Fair Trade goods to actually retail at the same price or less than similar non–Fair Trade, name brand, products. For example, Autonomie Project's Fair Trade sneakers were made of sustainably harvested rubber and organic cotton. They were assembled in Pakistan in a factory that provides benefits, vacations, and fair pay. The Autonomie sneakers retail for $54 (Autonomie Project, 2012). Similarly styled Converse All Star sneakers made by Nike, with harmful glues, no environmental considerations, chemically laced raw materials, and no guarantee of workers' rights, retailed for $50 (Converse, 2011).

Fair Trade is arguably not a particularly rational choice for consumers working in their own self-interest. Fair Trade products are not always available nor identifiable. Nevertheless, as demonstrated by the tremendous growth in demand for Fair Trade products, more consumers are choosing Fair Trade, though not consistently nor over long periods of time. Fair Trade products need to be of a good quality, fashionable, identifiable, and readily available in mainstream markets for maximum consumer participation (Shaw & Duff, 2002; Tomolillo & Shaw, 2004). This is often difficult to achieve, as Fair Trade does not have the scope, coverage, and large marketing budgets that conventional trade products enjoy. There is also no universal Fair Trade standard, logo, brand, or consistency. Fair Trade labeling and criteria change across product categories and with certified and noncertified goods. Categories within different industries have different Fair Trade requirements such as agricultural products, manufactured goods, handicrafts, and clothing. All of this made Fair Trade difficult to identify and understand. (Shaw et al., 2006).

Identification and Access

A value based label (VBL) is a product label that carries "explicit value-laden messages relating to a product's process and quality" (Barham, 2002, p. 414). Various types of VBLs are found on Fair Trade products. A consumer study on food labeling found that 97 percent of participants studied read or examined the VBL before making and purchase. Seventy-one percent of the customers studied relied on the VBL when making product choices and 48 percent continued to purchase products bearing the same VBL (McEachern & Warnaby, 2008). However not all consumers are as familiar with labels as these studies

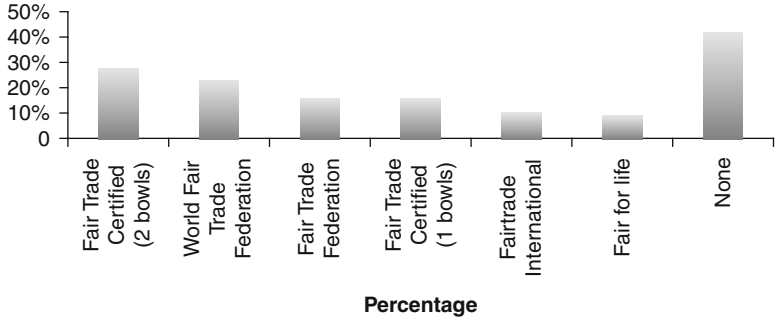

Figure 3.4 Consumer awareness of Fair Trade logos (Keene State College, 2012).

found. A US consumer study found that more than 40 percent of all respondents could not even identify a Fair Trade logo (Figure 3.4). Nevertheless, having a clear Fair Trade message, easy access to product in mainstream markets, and good quality, fosters more engagement in ethical consumption, as consumers pursued a more global definition of themselves seeing their relevancy in economic justice through trade.

Fair Trade Coffee and Clothing

Part II of this text takes a close look at producers working in Fair Trade coffee and clothing. Understanding how consumers engage in these product categories creates a greater context for the Fair Trade story and shows how market and retail challenges impact the flow and sales of Fair Trade products.

A 2008 study of Fair Trade coffee consumption by French consumers paints a fickle market driven by passive consumption of Fair Trade, based largely on purchases made during special events or as gifts for others. On the basis of 7,587 transactions, Fair Trade coffee shows lower customer retention rates than conventional coffees. In addition, while self-identified Fair Trade customers engage in Fair Trade coffee purchasing for an average of three years, conventional coffee drinkers have much longer commitments with their brand loyalty extending to an average of five years. The study also finds that Fair Traders are not heavy coffee drinkers and consume Fair Trade and non–Fair Trade coffee rather indiscriminately (Cailleba & Casteran, 2010). This can be indicative of consumers operating under "bound rationality" where they are unsure of which coffees actually are Fair Trade and choose a fair enough option hoping to be consuming a Fair Trade coffee but not making a concerted effort to source a product

known to truly be Fair Trade. Or this can be the result of insufficient self-command, where even though the value of a Fair Trade product is understood, the consumer consciously chooses to consume a non–Fair Trade product instead perhaps out of convenience or price.

Coffee in general suffers from limited brand loyalty (Srivastava, 2007). Experts propose that Fair Trade coffee consumption and brand loyalty can be improved through reinforcement, commitment, and satisfaction (Cailleba & Casteran, 2010). Reinforcement provides a positive reward or stimulus for a behavior. Commitment is the link between a person and his or her own actions, such as their engaging in ethical consumption. Satisfaction is the quality of the experience the person has with the product. Together these influence one's rationality of choice. In addition, like conventional coffee, different grades of Fair Trade coffee sold at different price points can also attract a broader range of customers by appealing to one's self-interested rational choice (Cailleba & Casteran, 2010).

Consumers and Clothing

A study of Fair Trade clothing consumption in the British fashion industry finds "words/deeds inconsistencies" among Fair Trade consumers (Shaw et al., 2006). A word-deed inconsistency, similar to a value-action gap, is the voiced intent of an individual to do something but then not doing it. For example, the study found that though participants feel committed to Fair Trade ideals and express a desire to purchase Fair Trade apparel, often they do not. Reasons cited stem from not having incomplete information to being unsure of products' true Fair Trade nature.

For example, many non–Fair Trade clothing retailers, such as Gap, engage in extensive marketing campaigns to match their clothing lines with ethical concerns. Gap's Product Red campaign donates a percentage of sales to the Global Fund to fight AIDS, tuberculosis, and malaria, making it seem very fair in its corporate ethics. In 2006 through 2007 Gap contributed over $45 million to the Global Fund, more than any other private donation received to date (JoinRed, 2011). However, Gap uses sweatshop labor in the production of its clothing, including the Product Red line (CNN, 2007). Sweatshop is a term used for factories that employ underage workers, pay low wages, require long work hours, and engage in other exploitive practices (Weadick, 2002). Gap president Marka Hansen recognized the problem and pledged to eliminate illegal labor conditions from Gap's production. "We strictly prohibit the use of child labor," Hansen said in a 2006 statement, after British journalists uncovered child labor

abuses in an Indian facility producing Gap clothing. "Gap has a history of addressing challenges like this head-on, and our approach to this situation will be no exception" (CNN, 2007). Hansen failed. Four years later, 38 people died in a fire in a Bangladeshi sweatshop, notorious for its abuse of workers' rights and under contract by Gap to produce their clothing (Kloer, 2010). This is one of many cases of human rights violations associated with Gap-contracted production. Though Gap presents itself as ethical and caring in its marketing, it contracts known illegal production facilities for its garment manufacturing. Gap's unethical production is common in the clothing industry. Due to their illegal status and clandestine nature, the exact number of sweatshops in the global economy is unknown. It is conservatively estimated that 5 percent of all clothing valued at $42.5 billion is made in thousands of sweatshops worldwide (Global Exchange, 2011).

This type of deceptive behavior drives Fair Trade consumers' words/deeds inconsistencies and bounded rationality. While Product Red seems fair, Gap does not. Ironically while non–Fair Trade companies try to appear fair, actual Fair Trade clothing companies often appear more mainstream and downplay the Fair Trade nature of their products, choosing instead to sell on popular style and quality. Retailers report being somewhat interested in the Fair Trade nature of the products sold, though fashion, price, and style are more important.

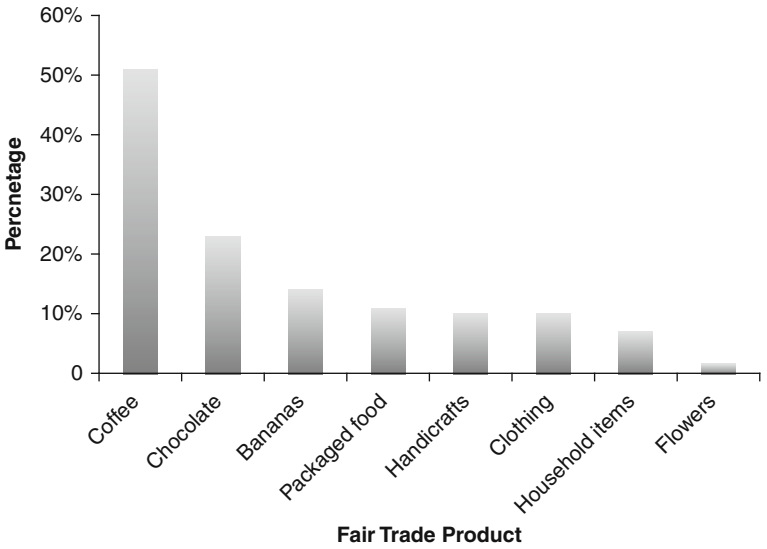

Figure 3.5 Fair Trade purchased in past six months (Keene State College, 2012).

High uncertainty and a weak relationship with Fair Trade clothing sources, leads consumers who would normally purchase Fair Trade products to make a purchase inconsistent with their own beliefs (Shaw et al., 2006). Other researchers attribute this inconsistent behavior partially to the nature of fashion where beyond just being functional, clothing fashion fills a need for belongingness and self-esteem (Easey, 2000; Gabriel & Lang, 1995). More than 55 percent of participants said that "poor access" to Fair Trade clothing is their number one deterrent when seeking to purchase Fair Trade apparel. Consumers report a lower engagement with Fair Trade clothing than with other more homogenous Fair Trade product categories such as chocolate and coffee (Figure 3.5).

Consumers and Justice

Fair Trade consumerism is linked to the idea of economic justice. It is believed that consumers through socially responsible consumption can positively affect world justice. Consumers most supportive of Fair Trade engage in ideas of justice that Sen identifies as "mutual benefit, based on symmetry and reciprocity." They also recognize their effective power, and subsequent obligations by intentionally seeking out known Fair Trade products. Critics argue that Fair Trade tricks people into spending money on something that is idealistic and inconsequential (Hayes, 2006). Sen believes that people naturally want justice and that a desire for justice is a natural state of being. Yet people knowingly operate in an unjust trade system and make decisions that are inconsistent with their natural states of being. When rationality is applied to understand Fair Trade consumption it becomes clear that practices of socially responsible consumerism extend well beyond personal financial gain.

Companies can present themselves or products as socially responsible, fair, and ethical when in many ways they are not. This process of making exaggerated or unfounded claims of fairness and ethicalness is known as greenwashing. Consumers have the burden of proving companies' ethical claims. As a result, consumer support and understanding of Fair Trade is sporadic and inconsistent. The inconsistencies can be understood in the context of the rationality of choice and bound rationality. Non–Fair Trade products can be purchased out of habit, uncertainty, or because other needs featured more prominently at that moment. Engaging in activities that are not reflective of one's expressed ethical beliefs are not so much of a break with rationality as they are the effects of sustained reasoning and bound rationality. Consumers, motivated beyond narrow self-interests are an integral and growing part of Fair Trade.

Supplemental Materials

- Survey
- Teach Out
- Discussion

The following is a Fair Trade consumer survey developed by students at Keene State College in New Hampshire, United States, and based on many of the consumer study findings presented in this chapter. This instrument, used since 2011, measures Fair Trade consumerism in the United States. Print out the survey and take it out into your community. Think about the sample you wish to study and how they can be best reached. Consider creating different sample clusters to compare their Fair Trade knowledge, opinions, and action. Survey students on campus, school children, church groups, people in town at different times of the day and different days of the week. This survey is also designed to be analyzed demographically. Look at responses in relation to age, income, gender, where they live, and occupation. Creating a Google form of the survey to use for entering in collected data is a good way to capture initial results and develop a spreadsheet to use for further analysis of data. Additional software can be used to further analyze the data, create cross references, and separate data sheets.

Note: Changing data counts into percentages will enable data to be more accurately measured, especially if there are more participants in one category than another. For example, your survey samples have a larger number of young, low income, or student participants than other categories. Looking at the data as counts, or the number of responses to a particular question, can cause sampling bias. To prevent this, calculate the percentages of responses in each category and compare percentages. For example, instead of measuring how many students are familiar with Fair Trade (question eight in the next section), calculate the percentage of students who are familiar with Fair Trade. This makes the data easier to compare to other demographics where there may be a lower number of respondents.

Discussion

After completing and analyzing the survey consider the following discussion points. What can be stated about consumers in your community? Are there differences in the ways people engage in Fair Trade based on age, income, gender, where they live, or occupation? Why do you think this is so? What trends have you discovered that you did

not expect to find? What did you expect to find that this study confirmed? How do your findings prove or disprove other study findings referred to in this chapter?

###

Person *Administering* Survey (Name) _____
Town/State: _____
Date_____ Time ___:_____AM/PM Place:
Details on *place* (circle one): college/university, public school, main (commercial) street, shopping center, store
Do they carry Fair Trade goods? (circle one) Yes/No/Some

To Participant

- Hello, I am (name) _____. I am collecting data for a consumer study on Fair Trade. May I ask you to take *four minutes* to complete the following survey with me? You do not have to know about Fair Trade in order to participate.
- Data gathered will be analyzed in order to better understand consumerism and trade. The survey is confidential unless you wish to be named and contacted for follow up. We will not sell you name to any lists and all information gathered will be used for this study only.
  1. Gender M/F
  2. Occupation: Student, Hourly Worker, Salaried Professional, Self-employed, Part Time, Retired, Unemployed, Other————
  3. Age (circle one): 19 and under, 20–29, 30–39, 40–49, 50–59, 60–69, 70+
  4. Where do you live, now (circle one): Urbanized Area (UA) 50,000+ peopleUrban Cluster (UC) 2,500 to 50,000 people-Rural Area (RA) less than 2,500 people
  5. Income (circle one): less than $22,000, $23,000–$50,000, $51,000–$75,000,$76,000–$100,000, $100,000+
     - Income type (select one): personal income, combined family income
     - Do you receive additional support from (circle one): none, parents/family, government, trust fund/investments, pension/retirement funds, other————
  6. Do you make the household buying decisions? Yes/No
  7. How are you most likely to hear about a new product (choose one)? TV program, TV commercial, Radio, Magazine/newspaper, Internet*, Word-of-Mouth, Billboard, other————

*If Internet: How? Blog, Twitter, Facebook, e-newsletter, Google ad, link, other———

Fair Trade is a form of commerce that ensures that producers are paid a fair price for the work they do, production is done in an environmentally friendly way, and local cultures are respected. Fair Trade products are often perceived to be more expensive than other products but often they are not. They are higher quality though, and pricing does reflect that.

8. Is this concept familiar to you? Yes/No
   (If/Yes) How did you first learn about Fair Trade? Word-of-mouth, store display,
   product label, event/festival, presentation/workshop, media/news, class/course, other———
9. Do you recognize any of these Fair Trade logos? (circle ones recognized)

10. Would you look for these logos when purchasing a Fair Trade product?
    Always/Sometimes/Never
11. Do you go out of your way seek to Fair Trade products when making buying decisions? Yes/No
    (If Yes) Why? Quality, helping others, it's the "right thing" to do, other:————————
    (If No) Why? Availability, quality, cost, not my concern, other:————————
12. How available are Fair Trade products for you? Very, somewhat, hardly, none
13. How often do you purchase Fair Trade products? Daily, weekly, monthly, occasionally, never (If "never" skip to Question 15)
14. What have you purchased in the last 6 months that is Fair Trade? Coffee, chocolate, bananas, packaged food, flowers, handicrafts/accessories, clothing, household items, other————————
    Where do you purchase Fair Trade products? Grocery store, co-op/health food store,
    fast food/chain, local coffee shop, local store, internet, other:————————
15. What barriers prevent you from purchasing more Fair Trade products?
    Availability, accessibility, price, unclear labeling, lack of knowledge, other:————————
16. What suggestions do you have to make Fair Trade more visible?
    Contact info (optional):————————

Thank you for your time!
###

4

The Four Pillars of Fair Trade: Producers

Pillar III—Fair Trade Producers

Many of Fair Trade's disadvantaged producers exist in an environment of involuntary unemployment with no benefits, education, training, and unable to realize their own transaction costs (Hayes, 2006). A transaction cost is the price of participating in a market and includes developing, marketing, and selling a product. Poverty leaves producers vulnerable to exploitation. Coyotes or middle men, for example, come to rural agricultural areas to purchase farmers' goods quoting market prices that are often much lower than the actual market value. Producers are unable to verify these prices and even if they did, they have no choice but to sell their product to the middleman at his price or not sell their product at all (Hayes, 2006). Some products were perishable and producers needed income so they often sold product at a loss, not even covering their transaction costs. Fair Trade however offered price protections, education, training, and market access that eliminated these exploitive practices. Instead of putting vulnerable coffee producers at a disadvantage, it creates a fair level of pay and opportunity by guaranteeing prices, improving production, and providing long-term market access.

Poverty and unfair trading practices are not the only drawbacks that producers from disadvantaged countries face. Many are targeted for Fair Trade or development projects because of other challenges. For example, there are well-established knitting groups in the cities of Bolivia that meet Fair Trade standards but my company, FTF member KUSIKUY Clothing Company chooses to work with less accessible, rural indigenous farm women in the Andes mountains because historical discrimination, poor economic conditions, and a lack of formal

education made them more disadvantaged than their urban counterparts. Today over 250 women knit KUSIKUY designs (KUSIKUY, 2012). Though Fair Trade producers benefit from income and steady work provided by Fair Trade, they have needs that extend beyond their own earnings. FTF and WFTO members who organize producers groups working in handicrafts often provide producers with child care, better education for their children, better equipped schools often with computers, skills training in areas of management, business development and accounting skills, improved medical care, housing and sanitary services, access to clean water and food, and workshops on personal health, nutrition, and human rights (KUSIKUY, 2012; Mayan Hands, 2012; Cards from Africa, 2012; Freeset, 2012). Producers working with FLO and Fair Trade USA in Fair Trade certified commodity projects receive social premium funds that members choose to invest in community improvements. Producers find that Fair Trade provides them access to not just better wages but services and education as well (Figure 4.1). These outcomes are consistent with Fair Trade intuitions focus on sustainability, empowerment, and improvement.

Figure 4.1 Peruvian Fair Trade knitters learn to knit export quality goods and use earnings to purchase more nutritious food for their children. Peruvian development programs help the community to maintain their own alpaca herds, providing extra income from fiber sales and raw material for knitting. (Photo: T. Stenn, 2006).

Quality of Life Indicators

Assessment tools can help one to better understand how Fair Trade intersects with producers' sustainability, empowerment, and improvement. Aristotle wrote in *Nicomachean Ethics*, "Wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else" (1980, p. 7). In the case of Fair Trade, wealth is used for the sake of supporting and empowering producers and their communities by channeling funds into sustainable projects that improved conditions for the poorest of the poor. Producer lives are improved in ways not captured by orthodox monetary indicators such as gross domestic product (GDP), the total wealth of a country measured by the value of the goods and services it produced. Sen and Stiglitz advocate for supplementing GDP measurements with subjective quality of life (QoL) indicators such as freedom and opportunity (Stiglitz, Sen, & Fitoussi, 2010). Additional QoL indicators include people, knowledge and skills, economic standard of living, economic development, infrastructure (build environment), housing, natural environment, safety, health, and social connectedness (Quality of Life Project, 2012). Studies using QoL indicators find a positive correlation between trust in market-related institutions and participants' reported QoL. For example, those who have more trust in their Fair Trade institution reported a higher quality of life than those who mistrust or do not engage with Fair Trade (Ekici & Peterson, 2009).

To further understand this, researchers, Arnould, Platstina, and Ball, applied QoL indicators in a comparative study of more than 1,200 Fair Trade and non–Fair Trade coffee farmers from similar regions in Guatemala, Nicaragua, and Peru (2011). They measured bridging social capital that are funds invested in community infrastructure projects such as schools, roads, and transportation and also looked at human development and sustainable growth, using self-reported data (Sabitini, 2008). The researchers found that Fair Trade coffee producers feel more positive about the future and have a higher sense of well-being than their non–Fair Trade counterparts. This is especially true among younger producers, with larger areas of coffee production, who are actively engaged in their Fair Trade cooperative (Arnould et al., 2011). Fair Trade coffee producers attributed their feelings of well-being to the personal and business support they receive through their association with Fair Trade. Guatemalan participants reported the lowest QoL levels. This, explained Arnould, Plastino, and Ball, could have been due to a hurricane that affected the coffee growing

region, or declining coffee price differences between Fair Trade and conventional coffee in Guatemala or both. Composite indicators are points of study such as education, health, and self-reported feelings of well-being. Arnould et al. found positive composite indicators for both Fair Trade and conventional farmers in regard to their children's futures. However, Fair Trade farmers feel more positive than their non–Fair Trade counterparts, 73 percent as compared to 62 percent (Arnould et al., 2011). This could be due to generally improved opportunities for all children on a national level with children of Fair Trade producers receiving even more opportunity through Fair Trade earnings and special projects.

Arnould, Plastina, and Ball's findings are consistent with regional data on well-being in Latin America. According to the Chilean polling firm Latinobarómetro, since 2003, Latin America had the best cycle of economic growth in almost 50 years with than 40 million people moving up from poverty to the middle classes. Kevin Casas-Zamora, a Senior Fellow of Latin American Foreign Policy at the Brookings Institute noted, "Even more remarkably, over the past decade, income inequality—the region's bitter trademark—has fallen in 15 out of 18 Latin American countries, partly due to significant increases in social outlays and the adoption of many innovative policies" (2010). Innovative policies include rural education, health, and infrastructure projects. Regional wealth across Latin America almost doubled from a Gross National Income (GNI) measurement of $20 billion in 2000 to $39 billion in 2009. GNI is a country's GDP, plus income received from other countries, less similar payments made to other countries. The GNI captured remittances and debt, which makes up large parts of Latin American economies. The increased GNI and innovative policies affect both Fair Trade and non–Fair Trade producers' optimism for their children's futures, though Latin American Fair Trade producers still are 10 percent more optimistic than their non–Fair Trade counterparts (Arnould et al., 2011).

The most significant benefits that Fair Trade coffee producers realize over non–Fair Trade coffee producers are technical assistance and price negotiation. Almost 90 percent of Fair Trade producers benefit from these services while less than 5 percent of non–Fair Traders have such support (Arnould et al., 2011). In addition social programs, medical support, and children's education were more widely enjoyed by Fair Traders (40 percent) than non–Fair Traders (18 percent) (Arnould et al., 2011). While governments improved social programs, heath care, and education, Fair Trade producers experienced greater access to them (40 percent) than non–Fair Trade producers (18 percent)

(Arnould et al., 2011). Most likely this is due to the investment of their own social premium funds into local community education and health services. Social premium funds are monies paid by certified Fair Trade commodity buyers, such as coffee, which are a certain percentage above the cost of the product purchased. These funds dispersed through FLO and Fair Trade USA are specifically earmarked for community development and do not get paid back to individual producers. Producer cooperatives together decide how to use social premium funds for community projects such as building and equipping new schools, improving roads and bridges, building a community center, and health services. Both Fair Trade and non–Fair Trade community members benefit from these funds that over the years have totaled millions of dollars (Fair Trade USA, 2012b). Besides the social premium gains, Fair Trade helps producers to understand the demands and nuances of world markets, increase efficiencies and improve quality, work with product differentiation, pricing, costs, infrastructure development, and governance (Arnould et al., 2011). The benefits of Fair Trade as captured by QoL indicators set it apart from other trade models that are more monetary based, supporting Fair Trade's growth, and success.

The Capabilities Approach

Sen in his capabilities approach examines the relationship between happiness and capability, and the relationship between capability and well-being. This theoretical approach is about human freedom and how freedom factors into the assessment of one's advantage and disadvantage. Applying this theory to the situation of Fair Trade producers, enables Fair Trade as justice to be better understood and creates a framework in which to further examine the producer pillar of Fair Trade. Sen explains that an individual's advantage or happiness is judged by the person's "capability to do things he or she has reason to value" (2009, p. 231). Happiness is understood in a broad sense meaning a feeling of self-satisfaction both personally and within one's community. Things that a Fair Trade producer might have reason to value could be their participation in a project, realization of sales (income), skills development, community respect, or improved family health and education. For example, having the choice and capacity to participate in a Fair Trade project that one valued, grants them the capability to do so and grows one's level of happiness. This can be expressed through higher self-esteem and empowerment. Sen explains that a person's well-being "may plausibly be seen in terms of a person's functionings and capabilities: what he or she is able to do or be [e.g., the ability to

be well-nourished, to avoid escapable morbidity or mortality, to read and write and communicate, to take part in the life of the community, to appear in public without shame]" (2009, p. 234). Any of the above outcomes, nourishment, vitality, education, or belonging could constitute well-being. Producers report experiencing greater well-being from participation in successful Fair Trade projects.

The capabilities approach, further explains Sen, focuses on human life that includes "our ability to achieve various combinations of functionings that we can compare and judge against each other in terms of what we have reason to value" (2009, p. 233). It is more difficult for women to participate in Fair Trade than men because women's gender-based tasks such as homecare and childcare take up much time and leave women with little time, encouragement, or supported when pursuing paid work outside the home. The following example demonstrates how producers' achievement of different combinations of functionings affects their well-being. If participation in a Fair Trade project resulted in a producer learning a marketable skill, belonging to a group, and generating income, but marginalized the producer from their family as they had to divert time from family chores to Fair Trade production, and the producer valued their family's opinion, then their well-being would be negatively affected by their marginalization by the family. However, if the producer valued the skills, group support, and income that Fair Trade provided, more than family approval then the producer would continue to work in Fair Trade, hoping that their family would eventually, "come around" and accept their new work. Either scenario results in the reduction of a producer's happiness and well-being as one outcome had to be sacrificed in lieu of another. Often these were difficult decisions for producers to make.

Capabilities are one aspect of freedom. People are different regardless of capabilities, and they experience capabilities in different ways. For example, there is the freedom to choose the type of work to pursue or the type of life to live, and then there is the freedom one has in accessing justice, and realizing personal and societal goals. Sen points out the importance of looking at the multiple facets of freedom in plural terms. Even though capabilities and its outcomes help producers to realize more freedom, the ways in which this come about, the degree to which freedom is achieved, and the type of freedom realized are all relevant. The capabilities approach may appear very linear and relational, though there exists complexities and nuances that make it quite dynamic and interpretive.

The various Fair Trade principles developed by Fair Trade institutions are applied evenly to producers around the world although not

all producers have even access to Fair Trade. Cultural, political, and gender barriers prevent producers from fully realizing Fair Trade benefits. In the above example, family obligations negatively impact a Fair Trade producer's well-being, even as they were realizing many other positive functionings such as increased income, skills, and belonging. The idea of choice is important in this theory and Sen made a distinction between doing something and being free to do that thing. The capabilities approach does not give a complete or even linear ordering of social states or well-being outcomes, but instead directs one to make important comparisons about justice (De Wispelaere, 2010a). In making these comparisons, Sen recognizes four contingencies that figure importantly in the conversion of resources into the lives people could actually lead. These include personal "heterogeneities" or differences, and differences in the physical environment, social climate, and relational perspectives. A producer's choice to continue membership in a Fair Trade group despite family disapproval can be made based on these four contingencies. For example, if the producer were a woman with a strong personality, with family living close by who were Fair Trade group members, located in a country that valued women's leadership and she felt her work was more important than family approval, she would choose to stay with the group. However another woman with less support may choose not to join or stay with Fair Trade, even though the need and skills exist for it to be a successful partnership. De Wispelaere explained, "Sen recognized that the equality of capability was neither equality of the capability for welfare nor equality of welfare. He stated that even if resource equality were the same as capability equality, the latter puts the emphasis in the right place, on ends personal, social and physical, rather than on means" (2010a). Sen argued that because capability differences stem from other factors beyond personal heterogeneity, the congruence between resource equality and capability equality is problematic as an empirical matter. Applying this to Fair Trade, it becomes obvious that not every producer will enjoy the same degree of happiness or well-being from their Fair trade participation, even with Fair Trade's relatively universal guidelines because of inherent differences in peoples' lives. Capabilities approach theory is about human freedom and how freedom is factored into the assessment of advantage and disadvantage, and as in the case of Fair Trade, enables producer dynamics to be understood on a deeper level. However it is a tool of concrete measurement nor comparison, rather a larger way of understanding a situation.

Sen's approach to the capabilities approach is *nayaa* in that it recognizes contingencies and complexities in measuring freedom. Sen's

capabilities approach offers an approach that uses plural grounding to recognize and analyze linkages between happiness and capabilities, and capabilities and well-being. It is a useful tool for understanding qualitatively, the effect of Fair Trade on producers and freedom. Fair Trade institutions strive to bring sustainability, empowerment, and improvement to producers. The capabilities approach provides the language and context to understand how this plays out for producers. Chapter 7 examines the capabilities approach in defining Fair Trade's effects on producers.

Public Reasoning

Public reasoning, an open discussion that all participate in, brings about greater justice, explains Sen. Public reasoning enables inequalities to be known and discussed resulting in shared solutions and greater understanding or continued debate. It gives voices to those who are not commonly heard and creates a sphere of equality where ideas can flow (Sen, 2009). The advancement of justice, and removal of injustice, entail both engagement with institutional choice and adjustment for correcting social arrangements, such as one's ability to engage in Fair Trade production. These, explain Sen, can be addressed though public discussion and reinforced by institutions. Though a Fair Trade producer may enjoy a decent job, good wages, safe working conditions, skills and capabilities development, and new opportunities, their happiness needs to be considered before full success could be claimed. Richard Layard put it simply, "If we are asked why happiness matters, we can give no further, external reason. It just obviously does matter" (2005, p. 3). Happiness is important when measuring success and fulfillment. One took pleasure in one's achievements and expressed this as happiness. At the same time, a lack of success or disappointment would lead to feelings of unhappiness. Happiness has indicative merit in relation to successes and failures, can be used to understand the outcome of a situation, and is important even if it is not the ultimate or only thing we seek (Sen, 2009). When examining Fair Trade as an institution of freedom, and thereby justice, the context in which freedom is realized is as important as the structure in which it exists.

Power and Producers

Fair Trade institutions' focus on sustainability, empowerment, and improvement results in Fair Trade producers became more sophisticated, organized, and productive as Fair Trade grows from a small

grassroots idea, to a multibillion-dollar industry. Some growth comes from supply, through improvements in product availability made through Fair Trade's capital investments and training and more people joining as Fair Trade producers. Other growth comes from demand, through the efforts of Fair Trade organizations and retailers in educating and engaging consumers. As Fair Trade producers grow their Fair Trade output (product), they also want to grow their Fair Trade input and have more of a voice in the Fair Trade process. For example, Latin American coffee farmers feel Fair Trade institutions' guidelines are too heavy in some areas such as documentation and not strong enough in others, such as labor and distribution. The farmers also want to engage in public reasoning and make their own decisions about their use of social premium funds. They feel they had already made enough infrastructure and community improvements and want to invest the premiums into expanding coffee production through land acquisition (T. Stenn, personal conversations, September 14, 2010, April 9, 2011). Some farmers feel they are being pressured to expand too quickly and have no recourse or ability to change this. Santiago Paz, a Peruvian coffee farmer and member of Fair Trade cooperative Cepicafe, explained, "It's as if they're (Fair Trade certifiers) driving a car going 70 miles an hour and they have put their foot on the gas pedal. Now it's going 90, 100, 120-mph and suddenly the small farmer in the passenger seat is flying out the window. They are so concerned with growing the system, advancing at all costs, that they will only end with the extinction of small farmers" (T. Stenn, personal conversation, September 14, 2010). In general, Fair Trade producers wanted more influence on Fair Trade principles that were dictated by institutions without mechanisms for producer input. Though industry leaders might not know Sen's arguments for public reasoning, some room was eventually made for producer input within Fair Trade institutions. In 2011, Fairtrade International included farmer cooperative representatives in its annual meeting giving farmers a voice, but not much room to implement any changes. Later it added farmers to its board and gave them voting power (Fairtrade International, 2011). The result was an expansion of guidelines with more specific language defining size and participation of producer and access to credit.

Conclusion

Fair Trade improves the quality of life for many producers. Studies find Fair Trade producers in large cooperatives being more hopeful for the future, more economically sound, and better organized than

their non–Fair trade counterparts. Researchers also find that these Fair Trade producers' children attend more school and their families have better access to medical care than non–fair trade producers in similar regions. Besides financial gains, producers benefit from better organizational and management skills, empowerment, and increased production. Understanding producers using the capabilities approach illuminates the differences of producer experiences based on gender, culture, and place. As producers become more sophisticated and efficient in production, their need for representation in the Fair Trade system becomes clearer. Institutions that did not initially have a place for producer input are starting to make room for them on boards and in decision-making positions. Producers, the heart of the Fair Trade movement, represent an important column of the Fair Trade model. For simplicity in presenting Fair Trade's four pillars, producers are introduced here as a general category. However, important differences exist in producers' Fair Trade experiences. Further chapters will examine producers in more detail looking at gender, culture, and production.

Supplemental Materials

Viewing Differences Using Plural Grounding

Plural grounding introduced in Chapter 1 is a way to understand differences among Fair Trade institutions. It can also be used in understanding ideological differences and approaches to trade and development from a producer's perspective. Below is a short essay of plural grounding being used to better understand Fair Trade's effect on producers. It presents two credible though opposing points of view that contain accurate, logical data. Applying plural grounding enables a broader understanding of justice and trade to emerge as seemingly disparate viewpoints unify.

Unfair Trade

Unfair Trade, a 2008 report, challenges the effectiveness of Fair Trade. The report argued that coffee producers' Fair Trade participation reduced their long-term development prospects. It claimed that producers' reliance on Fair Trade coffee's predictable, price control model and long-term contracts, discouraged diversification and structural change among producers (Sidwell, 2008). Diversification and structural change are economic concepts that refer to the creation of

new products and industries in order to enter into new markets and reduce risk. For example, a coffee grower may diversify by opening up a coffee shop in a neighboring town, or by roasting and packing his own brand of coffee to sell at the local market. This way, if international orders dropped, the farmer would have their own local products and sales to fall back on; they would have diversified and spread out their risk. Structural change is similar but on a larger scale. An example of a structural change could be the way an organization operates by increasing efficiencies or investing into new technologies such as a roasting facility. Structural change could increase the quality and quantity of product being produced and is seen as a positive economic outcome.

Sidwell, the author of *Unfair Trade*, is concerned that Fair Trade breeds complacency and stagnation among cooperative members working in Fair Trade's stable, protective, environment. This is a *niti* statement, looking at a single, perceived future outcome of Fair Trade farmers' reliance on coffee price guarantees and declaring it unfair, or unjust, and a hindrance to the achievement of diversification and real development. This seemed to be a tough argument to counter. But it does not need to be countered. It is a good point. Perhaps Fair Trade could be soft on innovation and discourage diversification and structural change as farmers are lured into a false sense of well-being and dependency, insulated from the challenges of the free market by Fair Trade's price protections. Using plural grounding, and taking the *nyaya* approach, Sidwell's argument becomes the basis of a larger view of Fair Trade. By acknowledging the dangers of overdependence on artificial price structures, other ways to view and realize Fair Trade can be developed to ensure producer diversification and risk management.

Plural grounding can also help Sidwell to better understand the situation he is criticizing. Fair Trade farmers operate in an environment of poverty with higher risk and uncertainty than farmers in a more structured, supported model, especially one with generous government subsidies such as those found in the United States. Poverty makes long-term planning difficult. In poverty, there existed a lack of infrastructure, inputs, and markets to support diversification. Poor farmers do not always have the capabilities or resources to diversify. Sidwell's economic-based argument does not take into account the unique conditions in which the Fair Trade farmers operate. Each of these items poverty, instability, and high risk, or lack of infrastructure alone (i.e., transportation of goods to regional markets) might not make a strong case for a perceived lack of diversification among Fair

Trade coffee producers. Together these obstacles represent the injustice of poverty, which results in the inability of many non–Fair Trade farmers to diversify and grow in economic strength and wealth. Fair Trade provides long-term contracts, price stability, and training that lead to the development of more capabilities and steady, economic growth (Smith, 1975).

An example can be found with two Nicaraguan Fair Trade coffee farmers, who visited with my students in the spring of 2011. They spoke with pride of their entrepreneurial undertakings and earnings pursued in the long months after the coffee harvest. Coffee is a seasonal product with a short harvest time, they noted. One farmer grew watermelons and raised chickens. The other had a large hog farm. They sold their products in local markets. Both are successful with their non-coffee diversification. The technical training, organizational management skills, and extra earnings they gained from their Fair Trade participation enabled them to create their own successful independent ventures. In addition, the coffee growers were able to provide steady work for local community as hired as coffee pickers were then brought on to work with the other businesses as well (T. Stenn, personal communication, April 9, 2011).

Using plural grounding, an initially "bad" situation, a lack of diversification with a raw, coffee product, is understood in a fuller context of non-coffee investment, skills development, and entrepreneurism. There is no longer a feeling of right or wrong, there is instead, a greater appreciation of the complexities of development and justice in a poverty environment. Plural grounding enables the complexities of justice to be recognized and understood, without having to debate and challenge individual differences. It leads to a broader understanding of justice and created new and original thought.

Critical Thinking Review

Understanding Fair Trade and justice as a discussion is *nyaya* because through discussion a broader, multidimensional understanding of Fair Trade emerges. One is no longer arguing whether or not price floors create dependencies or if Fair Trade leads to diversification or not, instead all is being heard and considered. A discussion is not a debate. Someone can lose a debate but there is no winner or loser in a discussion.

- Find other points that can be researched and discussed about Fair Trade producers. Some areas could be the inclusion of large

companies in Fair Trade, the scaling-up of Fair trade, exports and dependencies of Fair trade, accessibility of Fair Trade, consumer reciprocity in Fair Trade.

- What are other differences between a debate and a discussion?
- How can thinking shift from a critique or debate to a discussion?
- What are the expected outcomes of the two?
- How might one be more useful than the other in different situations?
- A round of presidential debates among candidates is part of the US election process with the debate winner expected to gain election votes. Imagine the United States switched to presidential discussions instead of debates. How would that change the political culture in the United States?

5

The Four Pillars of Fair Trade: Government

Pillar IV—Government

Sen's realization-focused comparative is a way of measuring the effects of different approaches. It presents two different ways of approaching a goal such as economic growth in the developing world, in order to create a greater understanding of an issue. Taking a realization-focused comparative of Fair Trade helps to create a greater understanding of the underlying economic development philosophies and approaches that shape our world today. Fair Trade operates within the Free Trade structure. Comparing Fair Trade with Free Trade brings a juxtaposition of words and meaning when examining differences in justice. It is easy to assume by the wording, that Free Trade is related to freedom. However in a realization-focused comparison, Free Trade does not support freedom rather it is quite the opposite. A realization-focused comparison, as defined by Sen, quantifiably compares outcomes and makes differences more visible. Free Trade, also known as liberalized or conventional trade, enables participants to trade across national boundaries with little regulatory interference. Free Trade favors open, unrestricted markets with few tariffs or quotas and includes the principles of David Ricardo's theory of comparative advantage and the laws of supply and demand. Comparative advantage means that every country would produce the commodities for which it was best suited in terms of resources, climate, transportation, capital, and labor (Riddell, Shackelford, Schneider, & Stamos, 2010). A country would produce these commodities in excess of its own requirements and exchange the surplus with imported goods from other countries, which it was not well suited to produce or could not produce at all. Thus, all countries produced and exported commodities in which they had cost advantages, and imported commodities in which they

had cost disadvantages. For example, the United States exported telecommunications systems and pharmaceuticals that it created with its highly educated, innovative workforce and imported clothing and coffee commodities that were not readily available in country due to high labor costs and climate limitations.

Supply and demand is an economic model that determines market prices for goods. In a competitive market, the unit price for a particular good varies until it settled at a point where the quantity demanded by consumers at the current price equals the quantity supplied by producers at that same price. This results in an economic equilibrium for price and quantity (Riddell et al., 2010). For example, as the price of a good fell the demand would rise as the product became more affordable for more people. Extending this out in time, as demand grows the product became more scarce causing the price to rise. At a certain point, the rising price would discourage consumers and create a drop in demand. If production remained constant, a surplus of product accumulates. The value of the product drops since it is now plentiful. As prices drop, demand increases with greater product affordability and the prices shift accordingly. The law of supply and demand is like a marble in a tube that rolls back and forth covering smaller and smaller distances until it stops completely, reaching an equilibrium, a place where demand and price are in harmony. Free Trade, explained Nobel laureate economist Paul Samuelson, lets markets move freely and encourages the development of efficiencies and competition through unrestricted resource sourcing, production, and market access (1962). Theoretically, Free Trade leads to the best outcomes for all. There is little need for intervention in markets since comparative advantages kept goods produced in the best place possible and supply and demand ensured that they are competitive and meet consumer demands. However, this was not the case (Stiglitz & Charlton, 2005).

In Free Trade models, producers are assumed to be equal. It is believed that all have equal opportunity to compete in an open market and benefit from trade. It is assumed that Free Trade operates in a realm of full employment and perfect risk and the economic development of markets are at equilibrium. Full employment meaning that all who want a job has one, forces companies to be competitive and fair in their salaries and benefits, or risk losing needed workers. Perfect risk means that all producers share equal information and access to resources when making market decisions. Markets at equilibrium mean stability. In this environment, any change in the market has an immediate effect on economic development.

For example, according to Samuelson, as new technology emerges and industrial plants are built with foreign investment in developing countries, new markets also emerge. Workers from the developing country are employed in these new transnational plants and use their wages to purchase goods. These purchases drive up the demand for goods both produced nationally and imported, in accordance with each product's comparative advantage. Higher demand results in more supply, which would lead to the creation of more jobs and an ever-expanding economy. Local workers are employed by the transnational corporation (TNC) as well as by their own local industries. Local industry steadily grows alongside the TNCs, supplying local services and goods, and meeting the needs of niche markets where the TNC did not compete. Industrialization, wage labor, and production all increase, helping to raise the countries' gross domestic product (GDP) thereby lifting struggling countries out of poverty. Theoretically, this growth would come mostly from the urban, business sectors within the developing country as the society adapts new technologies and innovations to participate in the new trade. Labor would come from the countryside, as people leave subsistence farming for better paying wage labor. In addition is was believed that as new import products flooded local markets and created competition for local industries, these industries would then innovate to create new products for export to new markets (Stiglitz, 2002).

Unfortunately, this is not the case. When the foreign investors arrive and bring in new technology and industrial plants, they improve efficiencies thereby requiring less labor and eliminating rather than creating jobs in existing market sectors. In addition, the competition from the TNC that is supposed to lead to innovation and new product development for export is so great that it causes local industries that are unable to innovate to close. This leads to higher unemployment. The developing world, economists learned, does not have perfect risk nor a direct cause-and-effect relationship, such as supply and demand, with markets. There is, for example, instability in pricing because internal markets in developing countries do not exist or work well. Many producers in the developing world relay on outside pricing information to price their goods. They do not take into account their own time, labor, and materials costs, rather they price their goods against the market prices being offered by foreign competitors. This leads to a domination of local markets by global pricing and does not let a country adjust for its own internalities, such as a landslide that destroys a factory and creates a shortage of a good or higher priced raw materials that results in less earnings for the producer. This also

means that cheap imports, often made with lower costs due to better technologies and economies of scale, can undersell local products and create unequal competition. This is the cause of the closing of many local industries (Figure 5.1).

There does not exist nor did there develop the predicted intermediate industries that would have enabled local businesses to serve the TNCs through the supply of parts and products. An intermediate industry is one that is developed to meet needs generated by new business. For example, McDonalds, a transnational fast-food corporation, opened operations in Bolivia in 1997. Instead of creating an intermediate industry for Bolivian potatoes from the land where potato cultivation originated, the corporation chose to import frozen potatoes, stating that local potatoes were too short for McDonald's standardized French fry length and that corporate policy dictated uniform ingredients be used in all items. As a result, the intermediate industry for Bolivian potatoes did not emerge; instead new competition from the TNC caused Bolivia's established hamburger and French fry operations to close.

Many producers in disadvantaged countries are challenged by poor education, financing, and technology. This further affects their ability to participate in the free market. Left alone to fend for themselves,

Figure 5.1 A boy runs down a modern avenue in the colonial town of Arani. Once a thriving commercial center known for its water powered, stone-ground grains and breads, it is now a secondary stop on the roadside to Bolivia's interior (Photo: T. Stenn, 2008).

producers are subject to competition and negotiations that they do not fully understand nor have power to challenge. For example, non–Fair Trade farmers are dependent on middlemen called coyotes or *transportistas* to purchase their goods or transport them from the countryside to regional markets. The way this relationship works is that about a week in advance word spreads throughout the countryside that that a *transportista* is coming. Farmers then gather their harvests and wait. The *transportista* arrives with a very large truck and offers to buy goods with cash at preset prices. There is little room for farmers to negotiate. If they do not sell their product to the *transportista*, there is no guarantee that another would come. Farmers live in remote communities and do not have other transportation options. Some government programs provide market price information to farmers or put restrictions on *transportistas* but these are hard to enforce and have limited results. Even with known market prices if the *transportistia* cannot pay a higher price because of his own fixed costs and market competition, the farmer is left without any sales options. It was also difficult for governments to regulate independent *transportistas.* The *transportista* assumes their own risks and hardships as remote farming areas took days to reach, were difficult to access, and their trucks were often damaged by the poor roads. Poverty, weak governance, and a lack of infrastructure create challenging trade barriers for producers in the developing world. These barriers are assumed to not exist in the free markets. In addition, most producers cannot access wealthy, export markets without the help of a trade organization or government programs, and most governments did not have the resources for such programs. Barriers to export markets included language, education, contacts, and knowledge of how foreign markets work. Free Trade's World Trade Organization (WTO) work with governments and industry to facilitate trade but they do not support small producers nor provide favorable trade options for smaller developing countries (DeCarlo, 2007).

Poverty, instability, a lack of capital and training, institutional legacies, and the overwhelming competition brought in by foreigners, prevents new free markets from developing. Even worse, as the free markets do not evolve and unemployment rises, there are no social safety nets such as unemployment benefits or social security in the developing world. Many developing world governments simply do not have the funds, tax base, or infrastructure to develop and support social service programs (Stiglitz, 2002). In the end, large, wealthy countries benefit more from free trade than smaller, poorer ones, resulting in an increase in inequality and injustice. The United Nations

Figure 5.2 Bolivia's remote, mountainous countryside is sparsely populated, lacks good roads, and provides few options for producers to get their goods to market. Pictured, a bull surveying an unusual winter snowfall in Huyama, Bolivia. (Photo: T. Stenn, 1999).

noted that after 40 years of liberalized (free) trade, the gap between the rich and poor countries in a particular sector has widened. When examined on an individual level in some cases a poorer country's GDP is increased due to high development in a particular sector, though citizens as a whole report being "worse off" as their overall quality of life deteriorates and growing inequalities form within their own societies (Figure 5.2) (Stiglitz et al., 2010).

A Realization-Focused Comparison

Realization-focused comparisons, pointed out Sen, reduce rather than broaden one's understanding of justice. The reductive nature of realization-focused comparison helps to deepen one's understanding of trade from different perspectives and have a clearer understanding of its intent. These differences can be accepted rather than judged, in order to let a new way of thinking about trade emerge. As seen in plural grounding, Fair Trade institutions have a broad, open definition of trade, justice, and fairness, one that is not easily quantified nor congruent throughout the industry. Taking a broad view and studying the diverse elements and outcomes of all trade deepens the understanding of Fair Trade as justice.

Fair Trade in this realization-focused comparative has the opposite effect of Free Trade by carefully creating jobs and stability in places where they were not present through higher production costs, community and environmental considerations, and a focus on long-term trade relationships. Fair Trade producers work together in large cooperatives with hundreds of members, owning vehicles and processing facilities that enable them to bring higher quality product direct to export markets. Instead of relying on *transportistas*, Fair Traders work together to negotiate their own transportation systems. Members gain direct market access, transparency in pricing, and room to negotiate sales with Fair Trade buyers. Fair Trade is a restricted form of trade that goes completely against the free market ideals of liberalized trade. Rather than large, Fair Trade focuses on small, being built from small producers in-country producing export goods from local resources using local technologies. There are no TNCs but some intermediate industries do emerge. Many of these are a result of skills and innovative methods learned from Fair Trade training and applied toward other local projects. For example, Fair Trade agricultural commodities such as coffee are seasonally produced. In the off-season farmers diversify into farming chickens, hogs, organic watermelon, and other products for sale to local markets. Fair Trade training teaches producers to be more efficient in their production and management, applying these skills to their own private businesses creates greater success for producers and additional earnings. Local government programs and NGOs play a key role in Fair Trade as technical assistance and incentives are provided to support diversification as part of poverty alleviation programs.

Fair Trade favors price setting and requires additional inputs such as extensive training, environmental protection, long-term contracts, and higher wages. These restrictions do not exist in the liberalized trade environments. The result is that while Fair Trade growth is smaller, more localized and specialized, it is also more sustainable and beneficial to producers. Fair Trade brings about justice through the purposeful creation of protected opportunities for producers. Fair Trade producers are carefully educated, trained, and given access to long-term, steady work and income. They are shielded from market extremes though price guarantees and are taught to be competitive through careful product development and improved production techniques. The environment and children are protected through Fair Trade practices such as wastewater management, soil preservation, erosion control, and an emphasis on education and school access for children. Organic certification, which is different from Fair Trade certification

in that it focuses more on farming methods than economic structures, often takes place alongside Fair Trade projects since producers are well organized and easy to work with. This dual certification improves farming techniques, adds extra value to the product, and gives farmers access to larger organic markets. In Fair Trade, farmers are taught sustainable agriculture techniques and children are prohibited from working as agricultural laborers. In addition, the higher family income earned from Fair Trade results in better nutrition and education for the children. Parents can now afford to hire outside workers or arrange their work so it was completed more efficiently. This relieves children from chores and enables them to attend school more often (Arnould, Plastina, & Ball, 2009). Long-term Fair Trade producers report feeling more hopeful, confident, and satisfied than their non–Fair Trade counterparts in similar industries and countries. Fair Trade's multiple year coffee contracts enable farmers to make long-term plans for their children's education, home improvements, and farm investments (T. Stenn, personal conversation, June 21, 2011). Normally planning for coffee farmers was impossible; without contracts and price guarantees the famer was unable to predict anything more than his immediate earnings. Fair Trade's long-term contracts bring producers stability and confidence to plan for future growth.

Compared to the reality of the competitive, unprotected markets of Free Trade, Fair Trade looks like a better option. It carefully grows markets and skills, encourages and supports innovation and environmentally and socially sustainable development. However, furthering the realization-focused comparative approach to understand justice, an argument against Fair Trade can be made when examining the limitations that Fair Trade's principles put upon producers. In order to join a Fair Trade organization, one must have a certain type of organizational structure, meet reporting qualifications, work with fixed prices, engage in Western-centric production norms, and have little room for input on guidelines (Tallontire, 2009). Some critics claimed that Fair Trade eroded the same cultures it sought to protect by introducing producers to Western influence, methods, and people (Boersma, 2009). Others were critical of the roles that large Fair Trade institutions played. As Fair Trade grew in demand, distributors of Fair Trade products became more powerful, as large volume corporate retailers began carrying Fair Trade products, outbuying the small shops that historically retailed Fair Trade. Producers felt there was less room for discussion, conversation, and collaboration. They felt they were being forced to enter into higher and higher production based on prices, efficiencies, and volume. Larger orders created new

levels dependence, vulnerability, and mistrust as producers suddenly had more to lose if a large customer, often represented by an ever-changing staff of buyers, stopped working with them (Beji-Becheur, Pedregal, Ozcaglar-Toulouse, 2008). Fair Trade is not a single solution to all trade challenges. There are seasonal drops in production, unstable markets, dependencies, and social, economic, and political challenges within a producers' country. However, Fair Trade institutions provide a starting point in which greater fairness in trade can be realized.

The intentions and realities of Free Trade and Fair Trade, no matter their validity, in the style of realization-focused comparison are reflective of *niti*, in that there is a judgment associated with them as point by point they were taken apart, examined, and their effectiveness debated. The intent of the realization-focused comparison is to look at the trade propriety and its behavioral correctness broken down by parts, rules, theories, and guidelines. The benefit of this was the opportunity it presented to understand the facets, dynamics, and complexities of trade from a closer perspective. It creates places of discussion, development of a common language, and brings to light the many different theories and policies that affect trade in different places. The realization-focused comparison provides a chance to compare different ideas and enables one to quantitatively determine what may or may not be just. It does not, however, provide an opportunity to transcend these differences to discover something new. Relaying solely on a realization-focused comparison to understand Free Trade and Fair Trade can result in a circle of arguments. It also reduces the actual *nyaya* of trade and justice, by rendering it to small arguable points when trade was large, fluid, and not absolutely defined. So while a realization-focused comparison helps to clarify differences, it needs to be balanced by a broader approach that unifies differences. Fair Trade is not just another model of trade, but it is a model specifically set up to promote a more just form of trade. Free Trade's objective is to grow economic while Fair Trade's objective is to form partnerships for greater trade equity. Looking outward at all trade and considering it as a movement toward greater justice, creates the opportunity to build new understandings and take different approaches to realizing them.

In the spirit of *nyaya*, Sen encourages a long, view of justice, which includes past and future thinking. This view fares well when examining all trade, enabling one to move from *niti* arguments of what specifically worked or did not to a broader conversation of what all trade could become. Many Fair Trade industry members see

Fair Trade as a movement toward fairer trade for all and hope that someday the designation of a good as "fair trade" would be obsolete as all trade becomes fair. All stakeholders are an important part of this process.

While a realization-focused comparison enables methods to be examined, a realization-focused understanding enables outcomes to be considered too. To understand fairness and justice, Sen urges the consideration of not just what happens in society but also "an examination of the kinds of lives that people can actually lead, given the institutions and rules, but also other influences, including actual behavior, that would inescapably affect human lives" (Sen, 2009, p. 10). This he writes, is a realization-focused understanding of justice rather than a mere comparison. Looking at Fair Trade with a realization-focused understanding enables one to see it in relation to the kinds of lives one wants to live, to ideas of dignity, self-determination, trust, respect, stability, and development. Thinking of trade in the context of how it feels personally engages the emotion, the common shared values of family, and wanting to lead and leave a good life good future for one's children, family, and community. Realization-focused understanding enabled one to look at individual and societal choice, personal freedom, and one's capabilities for achievement. The focus shift from what Fair Trade was, to the much larger, what it could do and be. To engage in a realization-focused understanding, one needed to look at the human side of economics and justice.

The Reason for Public Reasoning

As realization-focused comparisons and understanding made different dynamics, methods, and outcomes visible, public reasoning create the platform upon which these differences could be discussed. A functioning democracy links public discussion with government and paves the way for greater justice to emerge. But this is not easy. Public reasoning, the ability of issues of contention to be discussed in an open arena, is according to Sen, key in understanding justice. It enables ideas to be shared, different views and sides to be seen, new perspectives to be heard, and creates a place for discussion, debate and in time, understanding. Participatory governments such as functioning democracies are rooted in public reasoning. Democracy, suggested Sen, could be best understood as, "government by discussion" (2009, p. 324). James Buchanan praised democracy's ability to create government through discussion in 1954. Rawls wrote of the importance of creating discussion through the, "exercise of

public reasoning," defining it as moving beyond the ballot box and common elections to include a much larger process of public deliberation. "The definitive idea for deliberate democracy is the idea of deliberation itself. When citizens deliberate, they exchange views and debate their supporting reasons concerning public political questions" (Rawls, 1999, pp. 579–580). A broad understanding of democracy encompasses political participation, dialogue, and public interaction. Public reasoning is the medium in which the participation, dialogue, and interaction take place. Public reasoning is what, according to Sen, links democracy to justice.

Understanding democracy as solely an institution of governance with checks, balances, rules, and norms bound together in a rigid, political structure is *niti*, explains Sen. This view of democracy is limiting. Within it there can exist censorship and repression. It grants an understanding of the structure of the institution, but not a real understanding of what it holistically can do or be. Viewing democracy using *nyaya*, gives a broad, expansive view of it as a place of public reasoning rife with discourse, dissonance, understanding, and agreement; and freeing it from being limited to just a single state of governance. Open impartiality, the ability to view multiple sides of an issue without them being considered conflictive, but rather simply "different," is achieved through public reasoning. As Sen stated, "The demands for open impartiality make the global perspective a necessity for a full consideration of justice anywhere in the contemporary world" (2009, p. 328). Open impartiality and public reasoning are not easy to engage in on the global scale as people live in a multicultural, multinational world of stark differences, interests, and needs. Nevertheless, as a world society people have made progress over the millennia to engage others democratically, in government by discussion. Support for an engagement in open democracy, discussion, and discourse has been politically embraced and endorsed in legislation many times throughout the history of human development.

When letting others speak, tolerance of dissent becomes central to public reasoning. This means accepting the legitimacy of viewpoints that may be different from one's own beliefs. The conflicting viewpoints do not need to be endorsed, but they need to be heard and recognized as a legitimate point of view. Taking time to understand why and how someone's viewpoint develops leads to empathy and the emergence of commonalities. In today's world with its vast amounts of information and limitless means of instant communication some forms of public discussion flourish. Facebook and

twitter enable the online public to share ideas and voice opinions through public posts and message sharing. Online petitions engage the public and influence political outcomes by creating a place where people can be heard and change can happen. For example, Hersey's pledged to switch its Bliss chocolate line from child labor chocolate to Rainforest Alliance certified chocolate after it was targeted by a "sustained, consistent consumer-based advocacy campaign" (Change.org, 2012). However the open structure of today's information content can also limit public discussion. Personal agendas, biases, propaganda, misinformation, fraud, and scams are rampant in places of public information, such as the Internet and social media. The burden then falls on the user to discern what is correct or not and how to participate and be heard. Infinitely useful and meaningful information and wonderful examples of public discussion are present in our virtual communities, but so are incidences of deceit, manipulation, and theft. It is often overwhelming. Unreliable or mistrusted press has a devastating effect on consumer behavior. Public uncertainty about the reliability of information resulted in bounded rationality and consumers abandoning Fair Trade values. The effect that a mistrusted, manipulated, or unfree press has on public discussion is devastating and is a very real threat to the quality of life, democracy, and justice today.

Public reasoning can exist in large formats, such as the Bolivia Constitutional Assembly discussed in the next chapter, where for over a year, dozens of representatives from all ethnic groups and public and private sectors engaged in public reasoning to draft a new constitution, but it can also exist in small instances. Venezuelan president Hugo Chavez engaged in public reasoning when there was growing public discourse and mistrust among Venezuelan people during recent elections. Chavez created an open forum where he invited citizens to publically voice criticisms, concerns, doubts, and needs so they could be heard and addressed by the government. By giving people space for dissent and tolerance, he was able to garner stronger support from the people who were grateful to be heard and valued as they continued to seek needed change and improvements (Left Forum, 2011; Canache, 2007). Public reasoning is vastly important in the realization of justice. Sen writes of the increased security that was enjoyed by society and governments when people are encouraged to speak. He cites the "extensive evidence that democracy and political and civil rights tend to enhance freedoms of other kinds (such as human security) through giving a voice, at least in most circumstances, to the deprived and the vulnerable" (2009, p. 348).

Whether supported by governments, constitutions, or through individual initiative, the ability for people to openly engage in meaningful discussion, hear different points of view, maintain an open mind, accept differences as being different and not merely right or wrong, are all imperative for the preservation of personal freedom, the earth, and justice.

The free and even flow of information is necessary for any organization or society to function properly. Democratization of media and information results in the development of many different ideas and the ability of all of society to have access to debate and discuss them. For example, Sen notes that no famine has ever occurred in a functioning democracy. In a functioning democracy citizen voices are heard with respect at all levels, especially up to the top level of government, and one in which tolerance, public reasoning takes place (Sen, 2009). So as food production is slowed by climate change, natural events, poor management, or civil upheaval, information and needs are discussed and effective plans made to circumvent the famine.

Conclusion

Fair Trade as an institution supports human rights but does not have jurisdiction over these rights within the countries in which it operates. Fair Trade does have influence through its members and the inclusion of human rights in all Fair Trade guidelines. Fair Trade operates within the laws and regulations of independent governments and trade policies that may or may not support fairness and justice. Realization-focused comparisons more clearly define the parameters of Fair Trade in relation to more common Free Trade approaches that may or may not support fairness and justice. Sen writes that justice is entwined with public reasoning and functioning democracy that is directly impacted by government. Government is an important pillar of Fair Trade and has a great influence on the degree of justice and fairness producers' experience. Functioning democracies with public reasoning enable multiple views to be shared, create a deeper understanding of events and methods, and result in greater trade justice to being realized.

Supplemental Materials

Exploring Place and the Collective

Some say that government shapes our societal values. Others say society itself shapes government. Either way, government and society

are intimately intertwined. A country's values, norms, histories, and beliefs form its collective consciousness. This is embedded in a country's mythology, music, culture, and traditions. Becoming aware of our collective consciousness enables us to see ourselves and government more clearly. What values are we supporting? Will they enable us to realize our goals? Are they compatible with our world today? What are they based on? Asking these questions enable us to reach beyond the comfort of our everyday being and examine more closely the societal beliefs, truths, and mythologies that affect our decisions and way in which we view ourselves and our rulers as members of a certain country. Every country has a reputation, expectation, world ranking, strengths, and weaknesses. As members of a country, we carry these marks, stigmas, and rankings with us.

Viewing government as a Fair Trade pillar enables one to compare governments and policy to see how countries influence trade differently. However, living within that government the universality of one's being is felt differently. Though all may identify as citizens of a particular country and share common histories myths and beliefs, there are also differences among citizens within the same country that cause great division, conflict, alienation, prejudice, and turmoil. There is rapidly increasing cultural and racial diversity among citizens and a global shift toward greater individualism (Hofstede, 2001). Public reasoning and functioning democracy enable differences to be validated within a country and create a place for individual expression while encouraging creativity and collaboration in approaching governance. However excessive differences can impede one's ability to grow justice as more efforts are spent defending differences than working together.

Creating a more collective identity within a highly individualistic culture and government, builds a common ground where decisions can be made more easily for the good of all. The following are an adaptation of leadership exercises developed by Juana Bordas to help to build a greater connection among individuals within a highly individualistic society (2007). As you engage in this exercise observe how the relationships among the members of your group, class, or team change. Observe where commonalities grow and how that enhances or not the experience of being together as a collective. Think back to the fishbowl exercise in chapter 2 and the different ideas and points of view you shared. As you build commonalities with your neighbors, do these views or ways in which they are understood or expressed change? Note how this would affect your approach toward work together in public reasoning or functioning democracy.

Step One: Create a Cultural Timeline

Bring stories, mythologies, and legends to light by creating a collective timeline of common events that all relate to and know. On a long piece of paper draw a timeline for the country that most share in common. Decide what the starting point will be. Many groups choose the country's "birthdate" as the starting point. Brainstorm the milestones that one thinks of when defining this country. It could be significant battles, leaders, events, or achievements. Write these down on a board or separate paper. Then transfer them to the timeline. End the timeline in the present year. Step back and view the timeline. What themes arise? What are the type of items are on the timeline? Can they be categorized in any way?

Pretend you are a foreign visitor being introduced to this country for the first time and are presented with this timeline. What kind of a country do you think you will be visiting? What seems to be important for the people living there? What would you think their values are? What would you expect that country's citizens to be like?

Step Two: Exploring Our Place

Be yourself. Think about the events on the timeline and how they have affected your life as a citizen or guest of this country. Then think more deeply about yourself. Choose a significant global or societal event that impacted your life. It could be an important life decision, achievement or event in your own life, or a milestone or changes in the country. Reflect upon this and write it down on a piece of paper. Think about how this event affects your own place within this society.

Now think about when and how you became a citizen or guest of the country you are in. What is your own history and your family's history within this country? Where have you lived within this country? Briefly write down the key points of your own personal history and membership with this country.

In small groups of three to five people, take turns sharing what was written down. Discuss similarities, differences, and unique perspectives. As a group decide on three to five most significant experiences to share with the larger group. Write these down on a sticky note so they can be posted on the country timeline.

Step Three: Integration

Reflect on the trends and patterns that emerge on the timeline. As a whole group discuss what was learned about each other and the

societal influences and changes that shaped the country and the people within it. Feel yourself immersed in this country, supported by each other as members of a common place, sharing a common history of events and place, food, language, ways of being, and point of reference. Look at the shared commonalities and observe how the they weave throughout members' lives. Understanding a country's beginnings and seeing ones place within it along with others can inspire a sense of purpose and belonging.

When members feel more integrated and connected within a group it is easier for them to engage in public reasoning and create a functioning democracy. For example, approaching public reasoning and democracy as an individual presenting their own interests creates feelings of competition and a sense of a fight with winners and losers. Seeing one's place within a country as an individual leads one to feel personally challenged when one's ideas are countered by others. Instinctively one feels the need to fight harder to have their views heard and acted upon. Edges are hard and sharp.

Approaching public reasoning and democracy from a place where one feels more integrated and connected to one's country with many shared histories and events, creates a place for more creativity and imagination, softens viewpoints, and removes the sharp, hard edges of argument. One's viewpoint, or idea does not necessarily change, but the way in which it is felt and expressed does. The viewpoint is no longer advancing the self but rather contributing to the whole. Though there may still be opposing viewpoints, these are now understood as taking place within the context of the country as opposed to the individual. Opposition is no longer a personal confrontation as the country, rather than the individual becomes the main focal point. Chapters 9 and 11 examine in more detail how public reasoning and democracy function within collective environments.

Part II

A Fair Trade Case Study: Bolivia, South America

I am a US citizen who has lived and worked in Bolivia since 1996; first as a US Peace Corps volunteer, journalist, marketing consultant, and professor, then as a Fair Trade business owner and academic researcher. Part II takes the global phenomena of Fair Trade and closely examines it in the context of Bolivia and its indigenous women working in Fair Trade. Bolivia is similar to many countries in the developing world in that it has high poverty, poor education, lack of infrastructure, and established industry. It is unique in its strong cultural beliefs, indigenous rule and, deeply democratic approaches.

Fair Trade functions in relation to the place and the people who are a part of it. Taking a micro view of Fair Trade, examining its effects within the context of a single country and among women working in two different types of Fair Trade, enables its macro effects to be better understood. The micro view also reminds us of the humanness and complexities of trade, development, and place. Bolivia's own rich, dynamic history and people color its Fair Trade experience creating a unique trade story. The story presented here is viewed through the eyes of Bolivia's indigenous women, an understudied though important population of Fair Trade. It views Fair Trade from the perspective of Bolivia and the pillars of government, producer, and institution, the three that have the most influence on the local Fair Trade environment. The following chapters present a political history and context for understanding Bolivia and Fair Trade in the Andean region and bring a close, personal view of Bolivia's indigenous Fair Trade women.

6

Bolivian Governance, 1950–2010

Introducing the Plurinational State of Bolivia

Since Bolivia was created as a state in 1825 it has been a multiethnic society made up of indigenous peoples (55 percent mainly Quechua and Aymara), mestizos or criollos of mixed European and indigenous background (30 percent), persons of European descent, mainly Spanish (14 percent), and Afro-Bolivians (1 percent). Since the Spanish conquest of the Incas, Bolivia's majority indigenous population has been marginalized and the country run by centralist governments made up of an elite minority. As Bolivia's centralism began shifting in the 1950s, indigenous people slowly gained rights, education, and empowerment culminating in the 2005 democratic election of indigenous leader Evo Morales who won the presidency on a campaign titled "500 years of resistance [or suppression] of the indigenous peoples" (Monasterios, Stefanoni, & do Alto, 2007, p. 73). In 2009 a new constitution legally changed Bolivia's name from Bolivia to the Plurinational State of Bolivia, in recognition of its ethnical diversity. For want of brevity this text will refer to the Plurinational State of Bolivia as "Bolivia," as many Bolivians continue to do so today as well.

Bolivia, with a per capita GDP of $4,950 a year, is one of the poorest and least developed countries of the Americas (World Factbook [CIA], 2012). It is a large, landlocked, country in South America spanning over one million square kilometers, of which just 2.8 percent is arable. Its population is ten million with a median age of 23 and a life expectancy of 68 years. Despite favorable political changes with increased self-determination, democracy, and governance, Bolivia is still besieged by deep-seated poverty. Fifty-one percent of Bolivia's population lives below the poverty line of $2.00 per day. QoL indicators, as presented by the 2011 Legatum Prosperity Index (LPI), rank Bolivia in the last quartile placing it at 85 out of 110 countries (2010).

The LPI identifies eight subindexes, each of which represents a fundamental aspect of prosperity: per capita economic growth, entrepreneurship and opportunity, good governance, education, health, safety and security, personal freedom, and social capital. Social capital is defined as "Social networks and the cohesion that a society experiences when people trust one another" (Legatum Prosperity Index, 2010). LPI showed Bolivia being strongest in its economy, which grew 4 percent in 2010 through the nationalization of resources such as minerals and natural gas, and a raise in the rates charged for the export sale of these resources (IMF, 2011). Bolivia is rich in natural resources such as tin, natural gas, petroleum, zinc, tungsten, antimony, silver, iron, lead, gold, timber, and hydropower. Most income is earned through mining and hydrocarbon exports though many more people are employed in the agriculture sector, mostly as subsistence farmers. Soybeans are the largest agriculture export product (World Factbook, 2012). According to LPI, Bolivia is also strong in education and personal freedoms. New education reform programs written into the 2009 constitution and funded through Bolivia's economic growth are largely responsible for this. Bolivia's health, safety, entrepreneurial opportunity, governance, and social capital LPI indicators are low. Much of this is caused by rising food prices, the effects of climate change and a lack of foreign investment are other new challenges Bolivia faced (World Factbook, 2012).

Human Development Index (HDI) measures development based on life expectancy, adult literacy, school enrollment, and per capita income. Bolivia is considered to have a medium level of human development with a 2010 HDI score of 0.643. It is ranked at 98 and is in the lower half of country HDIs worldwide. Despite these challenges, Bolivia's high rate of poverty is on a decline as new reforms and government investment improve rural development and countrywide social programs. The elimination of extreme poverty continues to be a national government priority. Bolivia's 2008 Multidimensional Poverty Index (MPI) was 0.089, reflecting an almost 10 percent decline since 2003, marking Bolivia as the country with the sharpest decline in poverty worldwide during that time range (United Nations Development Programme, 2011).

1952 Revolution

Once the heart of the Tiawanaku Empire and an important part of the Inca Empire, Bolivia was conquered and colonized by Spain in the 1500s. Once known as Alto Peru, the country gained its independence

in 1825, taking on the name "Bolivia" in remembrance of Simon Bolivar, the "great liberator" of many of Spain's South American colonies. Though liberated, many of Bolivia's repressive, precolonial conditions continued to exist well into the twentieth century. From 1825 to 1952 Bolivia remained ethnically divided along the line of indigenous, or "original people," as Bolivians refer to themselves, and mestizos, people of mixed indigenous and Spanish descent. Governed by a small ruling class of elites, indigenous people were forced to work under primitive conditions in mines and in nearly feudal status on large estates. They were denied access to education, economic opportunity, or political participation. Colonial era segregation laws prohibited indigenous people from entering into city plazas and attending cultural events. The Catholic Church worked vigorously to convert indigenous people to Catholicism. However, suppression of the country's majority indigenous people did not happen easily and Bolivia's political history was marked by thousands of indigenous-led political uprisings and revolts. The official residence of the Bolivian president is called the Burnt Palace (Palacio Quemado), because of the number of times it was torched in citizen uprisings. Uprisings and unrest continued for 150 years until the majority indigenous population could no longer be suppressed. What followed was 60 years of radical change that saw Bolivia shift from a conservative semifeudal oligarchy to a highly decentralized democracy.

The first step toward Bolivia's greater citizen-focused democracy occurred in a 1952 revolution led by students, proletariat, and intellectuals. They intended to overthrow the mestizo elite and replace them with a socialist government as a way to appease the rural majority and create greater stability for the middle class. The new president Victor Paz Estenssoro nationalized large mining companies and introduced a number of far-reaching reforms including universal suffrage that gave women and illiterates the chance to vote, and after further pressure from farmers, Reforma Agraria (land reform), which ended feudal economic conditions and divided Bolivia's precolonial haciendas or plantations among the Bolivians who had been living on them for generations as indentured servants (Bartholdson, Rudqvist, & Widmark, 2002). Now Bolivia's indigenous people could own land and vote. Since there were few schools near Bolivia's mines and haciendas, most indigenous Bolivians were illiterate. The management of the new rural communities was turned over to agrarian trade unions overseen by the Institucion Nacional de Reforma Agraria (INRA, National Institution for Land Reform). INRA recognized three types of communities: "original communities" with precolonial land ownership,

"ex-hacienda communities" formed by workers who inherited large estates, and "new communities" created by formerly landless families (Kay & Urioste, 2007). The Central Obrero Boliviano, (COB Bolivian Worker's Center) was also a union established to represent millions of Bolivian workers from multiple industries and sectors. These two large centralized unions provided legal representation for thousands of members and created a powerful place to affect policy and change. However, little technical training was provided after the revolution and the rural Bolivians who had been subject to the hacienda owners' rule had few skills or resources to continue with the large-scale production of the past. Rural poverty rose even as land ownership grew. The elite ruling class returned to power following a 1964 military coup and once again marginalized the indigenous majority. Though the Reforma Agraria promised land reform for all by 1970, only 45 percent of Bolivia's indigenous families held land titles (Fabricant, 2010). The indigenous people, now with voting rights and unions, organized and demanded stronger land rights, recognition, services, and government accountability. They wanted a government that was citizen-focused and democratized.

1985 Neoliberal Reforms

By 1985, after a series of military dictatorships and coups, the Bolivian economy and citizens' quality of life was in ruins. There was economic stagnation, chaos, deep-rooted poverty, political instability, and 11.750 percent inflation (Sachs, 1987). The country was deeply in debt to the Intentional Monetary Fund (IMF), World Bank, and Inter-American Development Bank (IDB), that had provided external funding during the different dictatorships (Weisbrot & Sandoval, 2009). The people elected Paz Estenssoro, who had recently returned from exile, to once again sign off on sweeping reforms and bring the situation back under control. In response, Paz Estenssoro introduced a radical US-endorsed New Economic Policy (NEP). NEP became the first major neoliberal reform program to be successfully implemented by an elected government in Latin America (van Dijck, 1998). The NEP was nothing like the citizen-focused agrarian reforms and union development that Paz Estenssoro had presented in the 1950s. In fact the NEP broke up the same unions he had formed. Bolivia's powerful labor unions had grown "troublesome" over the years as they continued to demand more reforms and quality of life improvements. To properly function, proponents explained, NEP needed fast, full compliance. Unions were simply in the way. By privatizing state-owned

mines, for example, two important objectives were achieved: investment income came into a country that was struggling with foreign debt and a failing economic sector and the troublesome unions were weakened. As a result of Paz Estenssoro's reforms, 30 thousand miners (and COB union members) lost their jobs within a year. This was a devastating blow to the COB that lost much of its power and grew increasingly fragmented.

NEP rested on the neoliberal ideas of "shock policy" that had roots in Milton Friedman's ideas of free market economics. In economics, shock policy referred to the sudden release of price and currency controls, withdrawal of state subsidies, and immediate trade liberalization within a country, which usually included the large-scale privatization of public-owned assets. The rationale behind this was that government intervention was the cause of all economic and monetary chaos, and therefore rapid economic liberalization, or shock policy, was the best response to such chaos. By letting go of government controls, the belief was that the newly liberalized markets would quickly stabilize and become more efficient, driven by competition and the need to produce earnings (Riddell et al., 2010). Foreign Direct Investment (FDI) is a foreign company's direct investment or expansion of operations into production or business in another country. For example, in 1995, 50 percent of the stock share of Bolivian telecommunication company ENTEL was sold to the Italian TSI-STET International Telecom Italia along with a guarantee of six-year monopoly on long distance services (*La Prensa*, 2009). It was believed that FDI, a key component of NEP, was a significant determinant of economic growth and estimated to be three to six times more efficient than domestic investment (De Gregorio, 1992).

The NEP was developed in part by 31-year-old Jeffery Sachs, a young US economist, who worked as a consultant to Paz Estenssoro and his successor US-educated businessman Gonzalo Sánchez de Lozada or "Goni" as he was popularly known to develop and implement shock therapy, an accelerated version of shock policy. The results were both fantastic and devastating. Shock therapy, in addition to liberating markets, linked the Bolivian currency to the US dollar. This enabled Bolivia to curb inflation that plummeted from 11.750 percent in 1985 to 15 percent by 1987, but also plunged the economy into recession. By 1986 the purchasing power of the average Bolivian was down 70 percent (Lehman, 1999). FDI boosted by a capitalization process in the second half of the 1990s saw investments to surge to a record $872 million in 1997, with the majority of investors being US firms (Lehman, 1999). The efficiencies of FDI

as seen through technical modernizations, more affective management approaches, and the elimination of redundancies had a flaw. As newly privatized firms became more efficient and laid off thousands of workers, Bolivia experienced a significant reduction of economic growth. In just a year, unemployment soared to 25 percent with nearly all social welfare benefits to workers swept away (Lehman, 1999). By 1991, at least 45 thousand jobs had been lost in mining and the public service sector, plus 35 thousand more due to factory closings, as Bolivian industry could not compete with foreign businesses (CUNY, 2011). Besides losing jobs, Bolivia lost its own industries as well. On a positive note, FDI raised revenues for the Bolivian government and enabled them to start paying back their growing debt to the IMF (IMF, 2011). Despite the significant shortcomings, Bolivia's basic model of neoliberal economic and social policies soon became the preferred IMF instrument for structural adjustment in Eastern Europe, Africa, and Latin America (Aguirre, Arze, Larrazabal, Montano, & Moscoso, 1992). Neoliberal policies continue to dominate global trade today.

As Bolivia's neoliberal reforms progressed through the 1980s and 1990s there was growing resentment among citizens. As the state shrank in size and transferred more of its previous functions to the private sector, it was less able to address the growing demands for social citizenship rights (Feigenbaum & Henig, 1994). NEP was seen as a foreign-made economic policy that many felt did not reflect Bolivia's unique realities and conditions. Many Bolivians felt their country was being sold out from under them and that foreigners were benefitting at the Bolivian people's expense. They also mistrusted the political leaders heading the neoliberalization and (rightfully) believed they were corrupt, keeping much of FDI earnings for themselves. By 1997, Bolivia was ranked as the second most corrupt country by Transparency International's Corruption Perception Index (CPI) (Graf Lambsdorff, 1997). Bolivia entered the twenty-first century lacking the consent and integrated support from civil society necessary for creating a strong hegemonic system, one that aligned citizens' needs with government objectives, a combination of coercion and consent (Kohl, 2006).

In developing countries, notes policy makers, the lack of integrated support from civil society to create a strong hegemonic system leads to the imposition of disciplinary neoliberalism (Gill, 2003). Disciplinary neoliberalism is the rapid introduction of privatization, deregulation, and competitiveness to quickly grow new markets. When a country undergoes disciplinary neoliberalism, it is vulnerable

to attacks by counter-hegemonic social movements that may be based on combinations of class, gender, ethnicity, religious, territorial, or identity interests (Castells, 1983; Finnegan, 2002). Sach's NEP shock therapy, a theoretical concept pulled from US economic texts, produced the effects of disciplinary neoliberalism in Bolivia. As the Bolivian government imposed this untested, foreign economic policy on its citizens, it began to alienate the same people it was elected to serve. By 2000, researchers looking back on Bolivia's 15 years of NEP concluded that in spite of economic and political stability, as well as continued reforms, Bolivia's growth rate remained "below the levels necessary to substantially impact poverty reduction" (Flexner, 2000, p. 24). The extreme sacrifice of the Bolivian people as they suffered unemployment, instability, a loss of political power, and a loss of faith in their leadership was in vain, many believed, as the NEP program failed to deliver the economic reform it promised and left Bolivia's impoverished majority even worse off. The common rallying cry, "down with neoliberalism," was soon heard across Bolivia as citizens identified neoliberalism as the root of most of the country's difficulties (Kohl, 2006).

1994 Popular Participation

Bolivia's decentralization neoliberal reform had one unintended consequence that further revolutionized the Bolivian economy and state. In the 1980s, just as Paz Estensorro was stepping back into power and the NEP was being put in place, the concept of participation was broadly introduced by development agencies as a means of increasing project effectiveness and efficiency (Cornwall, 2000). It was believed that by having project recipients directly involved in their own development, outcomes would be more relevant and meaningful and previously overlooked populations would have a place to advocate for their needs. Politically, this led to decentralized governance as people directly participated in decision making, based on legal and political frameworks and practical experiences (Bartholdson et al., 2002). During the 1990s, decentralization became part of the "new development paradigm," which emphasized "decentralization, community development, deregulation, privatization, minimal government, popular participation and flexible forms of foreign aid" (Werlin, 1992, p. 223). World Bank projects and reports promoted the idea that decentralization would contribute to more efficient government, hasten economic development, and increase local democracy (World Bank, 2004).

Decentralization appealed to Bolivia's government. With mounting unemployment and political unrest, Bolivia's government needed a program that enabled citizens to operate within their new, privatized structure to direct their own development to meet the needs they felt were most important. More simply put, the government needed the citizens "off their back" and decentralization was the perfect way to do it. By now Paz Estenssoro had been voted out of power by his former minister of planning Gonzalo Sánchez de Lozada ("Goni") elected for his first term. President Goni assembled a team that created a complex, grassroots decentralization program called Popular Participation, which laid the groundwork for citizen-led regional development. The Ley de Participación Popular (LPP, Law of Popular Participation) was approved by the Bolivian Congress on April 20, 1994 (Altman & Lalander, n.d.). It decentralized the country by creating 311 (since expanded to 321) municipal governments and introducing municipal elections. The municipal governments had the power to direct municipal spending for which 20 percent of federal funds were guaranteed to the municipalities on a per capita basis (Gamarra, 1997). LPP was based on Organizaciones Teritoriales Bases (OTBs, Local Grassroots Territorial Organizations). These organizations were ill-prepared for their job. They had no training for their new role and possessed few skills in governance, project design, planning, accounting, administration, or management. Some OTB members were functionally illiterate and many groups were recently formed. OTBs could be mothers groups, farmer groups, indigenous groups, or artisan groups and had to be regionally based. Each OTB elected a volunteer representative for the municipal's Comité de Vigilancia (CV, Vigilance Committee). The CV oversaw municipal expenditures and budgets. Municipalities had democratically elected alcaldes (mayors) and a municipal *consejales (*council*)*. The alcalde and consejales were paid to run the day-to-day operations of the municipality coordinating local programs such as education, sanitation, infrastructure, irrigation, and sports facilities construction (Centellas, 2000). Candidates interested in running as mayor or councilor had to be associated with one of Bolivia's 18 different political parties, 5 of which were dominant. Alcaldes needed a 50 percent vote or else they were appointed by the councilors; usually the latter was the case (Altman & Lalander, n.d.). Each municipality had the task of drawing up an Annual Operating Plan (Plan Operacion Annual, POA) along with a five-year plan. Funding was allocated upon the state receiving these plans. In 1993, the Bolivian government invested $52 million into its municipalities, with 92 percent going to capital cities. By 1997 this more than tripled

with $183 million invested and 61 percent going outside of cities to "the rest of the country" (Gray-Molina, 2001, p. 70). Though some OTBs already existed before LPP, the new law prompted an explosion of OTBs, projects and funding. The new legal structure and power of OTBs made it easy for more stabilizing development programs and functions to take place. They became magnets for aid and development projects. For example, foreign aid organizations that focused on microenterprise and gender development were drawn to the easy-to-work-with structure of the OTBs and worked with farmers, artisan groups, and mothers' clubs to start some of Bolivia's first Fair Trade programs. As the OTBs grew in sophistication, they learned to design their own projects and solicit support from both municipalities and from the development community to further their skills and knowledge (Figure 6.1).

The laws of LPP were complex and multilayered. The government provided some training and educational materials but so did NGOs who solicited contracts from alcaldes to provide technical assistance for drawing up plans and designing projects. I was a rural journalist in the Cochabamba region of central Bolivia at this time, reporting on the effects of LPP in the country's first monthly rural newspaper *NOTICIAS Cono Sur*. The newspaper was founded and staffed by

Figure 6.1 LPP brought electrification to many of Bolivia's rural areas. An electrical pole is visible upon the entrance to the small, colonial era mining town of Poopo, Bolivia (Photo: T. Stenn, 2008).

myself and Bolivian journalist Victor Fernandez Coca. By 1996, all of Cochabamba's municipalities had replaced their ramshackle adobe-built schools with new brick school buildings with corrugated roofs, glass windows, cement floors, blackboards, and new wooden desks and chairs for students. The furniture and construction came from the local community creating jobs and orders that supported local business. There was ample space for students with most schools having one classroom per grade with an average of 20 to 30 children in each grade. Teachers were brought in from the cities and paid higher wages for the "discomfort of having to work in the countryside." Most returned to the cities on weekends. Alcaldes built new cement basketball and *futbolina* courts; renovated their open-air markets; fixed, replaced, and built roads and bridges; brought in electricity for the first time and illuminated their plazas; purchased computers and office equipment; and purchased SUVs, trucks, and other official vehicles. The region was teaming with NGOs and liberal local spending.

The blow of job losses from NEP's rampant privatization was softened with the renewed growth in Bolivia's municipalities. Members of Bolivia's educated ranks found jobs with NGOs, skilled workers were hired for the new development, artisans had new markets, and the unskilled and uneducated were educated and trained. Goni, like Paz Estenssoro, made sure there was ample land available for families wanting to relocate from impoverished mining communities and failing highland farms and continued to encourage the development of the lowland tropics as new places of growth.

As exciting and forward-moving as LLP seemed on the ground, it was not always easy nor efficient. The most significant downside was corruption. The Bolivian General Accounting Office reported a 3 percent corruption rate in the eight-year LPP span, a value of $12 million (*Los Tiempos*, 2005). Many believed this did capture the full scope of corruption. In addition, LPP participants had no formal education nor training for the work they were undertaking. It was not easy to meet everyone's needs, especially after centuries of neglect. Alcaldes were plagued by long lines of citizens demanding more complex projects such as irrigation, drinking water, health care, and market access. There was neither a clear system of information gathering and dissemination nor transparency. The CV was often in conflict with the mayor. Some conflicts escalated to threats and violence. Over time as roles and expectations became better understood, there seemed to be more collaboration between the CV, councilors, and mayors.

LPP decentralized governance gave people direct access and control over local development, but it did not create a place for them to

be involved in national decisions regardless of the new rural development. Bolivia's privatization was affecting everyone as citizens handed over hard-earned cash to foreign-owned companies for essential services such as phone, electricity, and water. There was a feeling of mistrust, exploitation, and a growing resentment of the neoliberal reforms of NEP. Many Bolivians felt the foreign companies were benefiting at their expense. As LPP provided a "training ground for indigenous political actors" and opened the path for better community organizing and empowerment, citizens became more organized and effective in voicing their concerns (Kohl, 2006, p. 315). Things came to a head when Betchel, a US-based construction company, leased the city of Cochabamba's municipal water system in a 1999 FDI transaction and immediately raised rates by as much as 400 percent with an average rate increase of 43 percent (Finnegan, 2002; Democracy Center, 2013). Water was essential to life and citizens felt their lives threatened when they could no longer afford to purchase water. They saw Betchel as a company intent on earning a profit at any cost, even human lives, and resented that the company was selling the people's own natural resource back to them. In protest, citizens, now with better community organizing skills, formed the massive umbrella group Coordinadora Departamental del Agua y la Vida (Departmental Coordinator of Water and Life) made up of the COB, Water Defense Committee, the Confederación Sindical Única de Trabajadores Campesinos de Bolivia (CSUTCB, Trade Union Confederation of Peasant Workers of Bolivia), the local professionals, engineers, and environmentalists of the Federacion Departamental Cochabambina de Regantes (FEDECOR, Cochabamba Departmental Federation of Irrigators). After three months of escalating conflict and military action between the citizens of Cochabamba and the Bolivian government, including the death of a 17-year-old boy, the government capitulated to public pressure and rescinded their contract with Bechtel (Assies, 2003; Democracy Center, 2013). This marked the beginning of the end of Bolivia's 17 years of neoliberal privatization reforms.

Tired of what they saw as backward, oppressive, and corrupt leadership, indigenous people began forming their own legally recognized political parties. By 2002, indigenous political parties such as the Movimiento al Socialismo (MAS, Movement Towards Socialism), had become the country's leading opposition in Bolivia's elections, and by 2004 these parties and independent citizens' groups won many of the municipal elections. As leaders became better versed in laws and governance and education was more accessible, information spread. The proliferation of cell phones, rural electricity, and telecommunications

enabled a much better educated and politically involved public to rise. Bolivian people were no longer content to wait and see what *Dios quiere* (God wants) as they once were. They felt empowered to take action and have their own needs met. By 2003, in the face of other privatization initiatives including a plan to expand Bolivian natural gas exports and an IMF-supported tax on Bolivians earning more than $100 a month, the National Coordinator for the Defense and Recovery of Gas was formed with a diverse array of supporters such as the COB of the 1980s, war veterans, antiglobalization activists, farmers, and military leaders. Demands grew and tensions rose. Roadblocks, marches, and protests surged with hundreds of thousands of Bolivians descending upon the nation's capital, cities, and places of contention over and over again. The government responded with violent repressions employing the military, sharp shooters, heavy artillery, and helicopters to attach protesters, leaving a total of 67 people dead (Democracy Center, 2013). The violent repressions alarmed the international community and infuriated the Bolivian people. For several days, now known as Black October, citizens blockaded the central city of La Paz demanding change. The bloody massacre that ensued

Figure 6.2 A view of La Paz's Plaza San Francisco, the first main plaza when approaching the heart of Bolivia's downtown and the place of many protests. The San Francisco church on the left that the plaza is named for is made of stones taken from ancient Tiawanku temples. The highlands of El Alto are seen in the background. (Photo: N. Trent, 1998).

led President Goni to flee to the United States on October 17, 2003. A constitutional succession by the president of the Supreme Court was established as Bolivians prepared for new elections. While protests and citizen unrest were mounting, MAS was transforming itself into a powerful political party. It formed alliances with protesters inscribing them as party members and promising recognition and rewards such as political appointments and funding for projects in exchange for their leaders' support. The strategy worked well, unifying many different groups under the MAS party and preparing leaders to become political candidates. In December 2005, indigenous leader and MAS party leader Juan Evo Morales Ayma was elected president putting an end to neoliberal reform, NEP, and LPP. Many MAS candidates were elected into local government positions giving MAS a national stronghold on the political environment of the country. In ensuing elections, more MAS candidates were elected into regional and senate positions, granting MAS the majority they needed to pass new reforms (Figure 6.2).

2005 Suma Qamaña and the New Constitution

The 2009 Bolivian constitution is based on the Andean principles of *Suma Qamaña* that in Aymara means "well-living" in a wise, tender, beautiful, harmonic way (Salgado, 2010). This is a *nyaya* approach to living that approaches life holistically with reference to the environment, community, and nurturance. Its ideological opposite would be the more *niti*, Western idea of "well-being" that refers to individual's socioeconomic status, freedom, and own, immediate situation. Suma Qamaña ensures that people have access to "the means to life" (Claros & Vania, 2009, p. 352). It emphasizes solidarity with others and harmony with nature. Rather than being "better off" than one's neighbor, one is as good as one's neighbor. Suma Qamaña resonates with the attributes comprising one's quality of life, not only covering material needs but also encompassing personal growth and empowerment (Chaplin, 2010). In 2008, Ecuador adopted the Quechua version of Suma Qamaña, *Sumaj Kawsay,* into its constitution. Sumaj Kawsay has the same meaning (well-living) as its Aymara counterpart and is also understood as more than just a new ethic, but a way of being within a plurality of others (Drozd, 2011; Salgado, 2010). Similar versions of Suma Qamana arose in Peru as well (Drozd, 2011).

Bolivia, Ecuador, Colombia, and Peru are part of the Comunidad Andina (CAN, Andean Community) and are developing new ways based on Andean philosophy to live together harmoniously with

nature and have the social, economic, and spiritual needs of all met. The adoption of Andean principles into national constitutions greatly affects the way in which these countries approach trade, economies, and justice. For example, besides Bolivia and Ecuador adopting Suma Qamaña and Sumaq Kawsay into their constitutions, Bolivia and Peru have developed new ways to understand and promote Fair Trade.

Suma Qamaña is deeply rooted in civil society participation and strongly values solidarity and cooperation, known as Andean reciprocity (Salgado, 2010). It is made up of a community economy that dates back five thousand years to the time of the Incas and successfully established complex economies and long-distance trade relations across different ethnic groups and nations. The Inca economy, which is being replicated in Suma Qamaña and Bolivia's constitution, starts with the *ayllu* or community. This is a large group of neighbors and relatives who live nearby and share land and resources such as tools, water, and labor. "The ayllu," explains development worker Ann Chaplin "brings together families from a group of communities in an organization that has traditionally been responsible for deference of territorial boundaries and resources, agricultural production, and community justice" (2010, p. 348). An ayllu can have anywhere from 20 to 120 members or more depending on how densely populated an area is. One can be born or married into an ayllu or join one by participating in certain community activities. Today's ayllus are made up of neighbors and relatives with much of the land individually owned due to Bolivia's 1952 and other land reforms. An ayllu is more like an OTB than a municipality in that it is more informal and locally based. "Think of it as an abstract a zip code," explained Bolivian Javier Choque who through his parents' ancestry is the member of two ayllus, "but it is not just a single space, it can be different spaces in different places" (T. Stenn, personal conversation, September 21, 2011). His family's land, like many others, is located in several small, one to three acre plots scattered among the mountains and valleys of a region. Some plots are in one ayllu while others are in another. When dividing up family property among siblings, the ayllu associated with each plot is divided up with it and important consideration is given to which member will be a part of which ayllu T. Stenn, personal conversation, June 11, 2011).

Many families in Bolivia's cities still have ancestral ties to land and are members of a rural ayllu to which they return throughout the year to visit, plant, harvest, and participate in celebrations with neighbors. The ayllus provide ties to a community economy that enables rural populations to survive by forming a social and economic safety net.

For example, if jobs are poor in the cities, families can travel to the countryside and farm. If crops are poor in the countryside, they travel to the cities and find work (Chiroque Solano & Mutuberria Lazarini, 2009). "Today's Suma Qamaña," writes Argentinean economist Valeria Mutuberria Lazarini "is recognized as an economic plurality; a social, legal, political and cultural nature of the state. It fights for equality, equity in the distribution and re-distribution of social products, the elements of which are needed for all to 'live well' in Bolivian society" (Chiroque Solano & Mutuberria Lazarini, 2009, p. 156).

The Bolivian people did not want to lose the new freedom, rights, and representation they fought so hard for. To ensure that Suma Qamaña was realized by all and individual rights preserved, the Morales government supported the writing of a new Bolivian constitution. In the spirit of Suma Qamaña that values reciprocity, sharing, and cooperation, the constitution was written by "not one leader, but many" through a the formation of an Asamblea Constituyente (CA, Constitutional Assembly) with the intent of bringing forth greater justice for all (Claros & Vania, 2009, p. 352). In the spirit of the Andean *cosmovision* or way of seeing, locally elected constituents traveled to the ayllus, seeking out the needs and ideas of the communities and creating a space of a full representation for the many facets and faces of Bolivia. Anyone could be elected a delegate for the CA; they did not have to have a political party affiliation. The process included indigenous communities selecting candidates through their own traditional methods as well as the selection of three representatives from each of the country's 70 districts. For these three representatives, there were two from the majority and one for the minority, even if the minority managed to get only 10 percent of the vote (Borzutzky & Zwart, 2009).

The CA provided the type of public reasoning Sen advocated for, one where all could participate including those not commonly heard. Morales stepped back and let the CA have the space and time it needed for negotiations. Showing government tolerance of dissent and enabling citizens to engage in public reasoning to influence change at the highest levels enabled Bolivia to enter into a functioning democracy as defined by Sen. The CA created a sphere of equality where ideas could freely flow and issues of contention be discussed. One main area of contention was between mestizo representatives from wealthy lowland states who favored free markets with little government intervention and impoverished indigenous highland farmers who wanted more social programs and wealth distribution. The arguments between these two factions were long and hard. At one point

the hydrocarbon-rich lowlands wanted to cede from the nation and form their own country.

Creating the space for democracy and public reasoning, and then honoring it even when demands being made and supported are not compatible with the norm nor the government's desired outcome, was not easy. The lowlands' elitist, right wing opposition party proved stronger than anticipated representing 23 percent of the seats in the CA. Evo's largely indigenous MAS party had 54 percent. A two-thirds majority was needed to approve the constitutional reforms. Planners expected the entire process to be completed within four months. This was not to be the case. Getting adequate consensus and support for the new constitution became a very complicated volatile process and as deadlines were missed, meetings boycotted, and changes and new versions not accepted. Finally, on January 25, 2009, two long and turbulent years later, the Bolivian constitution was passed by the CA and presented to the Bolivian people. The Bolivian people voted and the constitution was approved. It contained 411 articles and held something for everyone (Romero, 2009). President Evo declared, "Here begins the new Bolivia. Here we begin to reach true equality" (Borzutzky & Zwart, 2009, p. 22). Opposition leaders also cheered. It was a "win-win" for all. Bolivian Jesuit scholar and linguist Xavier Albó declared that Bolivia was "advancing in a democratic process that does not exclude or subjugate anyone" (Romero, 2009).

Conclusion

From indentured servitude to the development of their own independent form of governance, Bolivia's people personally experienced tremendous change and empowerment in a short period of time. The Fair Trade producers featured in the next chapters are all products of this time, shaped by reform and the belief that if one tried hard enough, change would come. Some gained land, leadership, new beginnings for their families, and a new future for themselves. Many were children or not even born at the time of the revolution though their parents were. All remember the neoliberal reforms, uprisings, road blocks, fear, and unrest that marked a large part of Bolivia's recent past. These actions together with the influx of aid organizations, new social programs, and LPP modernizations such as rural electrification, computers, cell phone service created opportunities that were not even possible to imagine 20 years ago. However, with Bolivia's turbulent changes came a feeling

of instability. "We always wonder when the next shoe will drop," said business leader Marina Claros. More than half of the respondents to a 2009 survey felt worried for a significant part of the previous day and only 14 percent expressed trust in others (Legatum Prosperity Index, 2010). People are still getting used to their new plurinational identities as well. "Being plurinational, is like being in the European Union," explained knitting leader Emilia Laime, "we are each our own group with a language, customs, history. It is like we are different states" (Stenn, 2010a). Laime now refers to herself as Quechua, though before she always called herself Bolivian. A new constitution and government did not solve all of Bolivia's social and economic ills but it brought new ways to view well-being, quality of life, governance, and democracy. Bolivians' tenacity, ability to work together, resilience, and hope created meaningful change and provided models and lessons for others to ponder. Looking ahead, the next chapter introduces a new and different version of Fair Trade that arose from the collective imagination of Bolivia and other Andean nations, one that is balanced and deeply connected and includes mother earth *Pachamama*, as part of the trade partnership.

Supplemental Materials

Local Governance

- Views from a local newspaper
- Research and report
- Discussion points

The Oxford English Dictionary defines government as "a group of people with the authority to govern a country or political state." Government is the means in which state policy is developed and enforced and affects human activity in many important ways. For this reason, government should not be studied alone but rather in the context of anthropology, economics, history, philosophy, science, and sociology.

A state is governed by an authorized group of people who, as we saw in chapter 3, could be self-appointed, elected, nominated, paid, volunteer, independent, party affiliated, from a minority group, educated, or not. There are many options for allocating governing authority. There are also many options as to how a state is governed.

Activity

Read the following case study of LPP realized on the ground in Bolivia.

Look at your own local government: It can be a country, municipal, township, town, school and special districts, or something else. Find out:

- How does your local government function?
- What are the government's roles and responsibilities?
- Who is involved in carrying out these responsibilities?
- Are they paid, volunteers, elected, appointed? How does that affect their role and power?
- How are decisions made? Budgets allocated? Citizens involved? New initiatives brought forward?
- Where are the checks and balances?
- Where and when does the government meet?
- Meet up with local government officials; for example, the select board, mayor, town clerk, town planner, representative treasurer, and so on. Ask about their job, background training, abilities. How did this prepare them for their government role?
- What are some of your local government's successes? Challenges?

Work individually or in a team to prepare a report of your findings to share with the class.

Discussion Points

When you are finished, look back on the Bolivian experience.

How was that similar or different to the government you studied?

Is there anything you would change with how your local government functions? Why or why not?

Case Study

Think back about the different approaches taken in democratic Bolivia from a semifeudal oligarchy, to centrism, decentralization, nationalism, and a Social Unitary State. Different models emerged in response to the changing demands. According to the 2007 US census, there were 89,476 local governments in the United States representing country, municipal, township, school, and special districts.

A Rural Newspaper in Bolivia

The following is a close personal account of Bolivia's early years of local LPP governance. While a Peace Corps volunteer in Bolivia in 1996, I was approached by Bolivian journalist Victor Fernandez Coca to help start the country's first newspaper in the rural municipalities of Cochabamba. Knowing the high illiteracy rates and poverty of the countryside I declined the offer stating that people could neither read nor afford a newspaper. Fernandez Coca responded that the newspaper could be supported through paid advertising and that the one-thirds who could read in the countryside would read the paper to others who did not. In addition, he explained, we could donate copies to school libraries to make sure current events were covered in the classrooms. I was sold on the idea, secured a small $500 grant from the Peace Corps office and the monthly newspaper *NOTICIAS Cono Sur* was born. Our main office was in Mizque, a small colonial era town located in the heart of Cochabamba's rural municipalities. We covered rural news, largely the events that unfolded from LPP and local culture. I was editor on the paper from 1997 until 1999 when I finished my Peace Corps service. Fernandez Coca ran the paper for another two years until economic conditions caused it to fold in 2001.

Observing and reporting on the emergence of LPP from its infancy brought a personal perception to the peoples' struggle to understand and implement a complex program using resources to the best of their abilities in a sincere effort to finally be able to affect positive change in their own country. Some fared better than others, and there were certainly plenty of setbacks offset by successes. Bolivian people gained experience and confidence. From my work with *NOTICIAS* and then years later, in Fair Trade, there was lasting evidence of the impact and change that LPP brought to many of Bolivia's most impoverished people. LPP brought money to Bolivia's most impoverished people who spent it on local development using local materials and labor. Regional cement and building material companies were thriving as were Bolivia's own craftsmen and furniture makers. It was easy to sell the $400 of advertising space we needed each month to meet our operating costs. Alcaldes and councilors read our paper and made project decisions. They had buying power and were a prime audience for advertisers. *NOTICIAS* advertisers included regional cement companies, electric companies, metal companies, and even the Bolivian government who advertised the benefits that their reforms were bringing to the people by purchasing full page, full color ads.

As neutral reporters we wrote about all that was happening, both the good and the bad. Many rural LPP participants had an average of three years of education, spoke mostly Quechua with a poor command of Spanish, were functionally illiterate, possessed very few planning or leadership skills, and did not know how to manage funds and projects. Fernandez Coca was fluent in Quechua and I understood some of the Quechua that was spoken and all of the Spanish. Our most popular stories included ones about rogue alcaldes who pilfered the municipalities' coffers purchasing vehicles for family members and squandering funds to improve their own homes. These alcaldes would be pushed out of office by the local population only to be replaced by an equally corrupt mayor. Some municipalities had different alcaldes each year. Many NGOs and the Bolivian government provided training programs for elected officials to help them to understand the law and how it was to be implemented. There was new vocabulary and processes for everyone to learn. The government also had educational programs and materials made for the schools, since it was often the school children who came home and explained the law to their illiterate parents. Aspects of LPP were also explained on national television and radio. However, despite overlapping efforts at educating and explaining, development was not a straight line and it was difficult to fully prepare participants for LPP's myriad outcomes.

LPP presented many challenges. Rural areas did not have cell phone service and key decision makers could not be easily found or consulted. Alcaldes traveled to cities for conferences and meetings or were using their new vehicles to visit projects in the most rural areas. Without planning skills, there was no clear system of information gathering, dissemination, or transparency. Citizens were often confused as rumors of new programs, misallocated funds, and convoluted processes spread. *NOTICIAS* provided a place of stability where alcaldes and citizens could learn of others' programs, successes, and shortcomings. We reported on a long footbridge that a foreign NGO had quoted a cost to build that was three times higher than the price the thrifty mayor paid his own people to design and build it themselves. We wrote about alternative development programs that were opening new markets for nontraditional agriculture products such as guayaba, apples, and cherimoya; the expansion of export programs such as bananas; the arrival of technical assistance programs for farmers and ranchers and how people could access them; we provided health reports and vaccination schedules; information on social programs aimed at addressing domestic violence, women's rights, or children's

defense; and provided a degree of accountability for alcaldes and their programs as we reported on projects, status, and budgets.

Many participants look back on LPP as bittersweet. "It is a bit sad, but in general our experiences are more negative than positive," explained Tarata's Vigilance Committee president Raúl Mamani (Altman & Lalander, n.d., p. 89). Urban areas experienced fracturing as neighborhoods approached LPP separately often coming to clashes as they competed for economic and development superiority; accusations of corruption and bribery abounded; ruling political parties fared better than minority parties; women though required to have a 20 percent representation in the program, were grossly underrepresented in all aspects of LPP; there was overall weak institutional capacity; and indigenous leaders felt the laws were made from a "utopia" and did not reflect the reality of the Bolivian people (Altman & Lalander, n.d.). Between 1994 and 2001, $404 million was paid out to municipal governments that went toward improving lives. LLP increased democracy, unified and educated people, gave citizens new power, opened economic possibilities, brought about political diversity though multiparty collaboration, and expanded resources and modernization projects to the countryside. Most importantly, it empowered and taught people how to govern.

7

Fair Trade in South America

National Comercio Justo

Bolivia's decentralization program, the Law of Popular Participation (LPP) put governance into the hands of the people by creating hundreds of small municipalities where local groups could elect officials to and democratically direct their own development. LPP laid the groundwork for Fair Trade in Bolivia through its use of Grassroots Territorial Organizations (OTB) in the LPP process. OTBs gained legal recognition and sent members to municipal Vigilance Committees (CV) to approve and oversee local projects. By receiving legal recognition and participating in local governance, OTBs became more sophisticated in their own organizing and development. There were many different types of OTBs such as mothers' clubs; youth groups; health and nutrition gardening groups; indigenous groups; musician groups; artisan groups such as potters, knitters, and furniture makers; agrarian groups such as coffee farmers and banana growers; and labor groups. Well organized and accessible, OTBs were easy recipients of aid-based business development initiatives. (See chapter 3 for more information on LPP and OTBs).

Up until the LPP of the 1990s, there had been little presence of Fair Trade in Bolivia. A few handicraft projects supported by the NGO Oxfam had sprung up and national organizations were beginning to form, but Fair Trade on the scale that it is known today did not exist. After the alternative development agriculture programs of the mid 1990s that laid the groundwork for Bolivia's Fair Trade coffee industry and better organized its chocolate and banana export capacity, and the expansion of the World Fair Trade Organization into Bolivia, an increase in the value of Bolivian Fair Trade exports was seen. By 2009, coffee exports alone were valued at $14.6 million (FECAFEB, 2012).

Until the Morales government of 2005, Fair Trade existed within the context of foreign Fair Trade institutions and regionally based, local initiatives. However, as Bolivian citizens gained a voice and national influence, new programs emerged such as *Comerico Justo* (Spanish for fair trade) that had similar guidelines to those set forth by foreign Fair Trade institutions but aimed at making trade more fair for all, not just for foreign institution members or exporters. The OTBs had representatives in the Constituent Assembly introduce *comercio justo* as a legal part of the new Bolivian Constitution. After much deliberation and several rewrites, *comercio justo* was accepted as an official part of the 2009 constitution in Article 47. Article 47 reads as follows:

I. Every person has the right to engage in commerce, industry, or in any licit economic activity, in conditions that are not detrimental to the collective good.
II. The working males and females of small urban and rural productive units, self-employed, and trade unionists in general, will enjoy from the State a special protection regime, through a policy of equitable commercial trade and just prices for their products, as well as the preferential assignation of economic financial resources to give an incentive to their production.
III. The State will protect, encourage, and strengthen the communitarian ways of production (Bolivian Constitution, 2009).

This is a huge shift from previous trade approaches. The Bolivian government of today is buying back and nationalizing industries, rehiring workers, growing large unions and creating special market protections, buying preferences, funding and training producers. The Bolivian constitution mandates that the Bolivian government must from a state level provide many of the same protections and opportunities that Fair Trade institutions do; only this time it is in support of products for local and national consumption, not exports.

Bolivian *comercio justo* tied in with Suma Qamana, Aymara for "well-being" is all about living well but not better. This is a constitutionally mandated Andean concept of socioeconomic organization where people engaged in local community, friendship, sharing, and collectively met each other's needs. It was the opposite of the Western concept of "good life" where personal gains and accumulation were valued over the collective. For example, someone living the "good life" would have a large home, boat, lavish family vacations, and a prestigious job. They would live better than many of the others around them. Someone living the Suma Qamana would have a

Figure 7.1 As part of a system of economic redistribution, padrinos, wealthy community or family members, sponsor special events such as Carnival. A padrino can help cover Carnival costs of costumes, practice spaces, travel, and food. Featured here are Diablada carnival dancers in Oruro, Bolivia (Photo: N. Trent, 1998).

thriving community life where all knew and valued each other, enjoyed leisure time together, and lived in similar economic conditions, all living well. Under Suma Qamana and Andean tradition, if there was a community member with excessive wealth, they would be expected to share that with the community through a system of economic redistribution formed by *padrinos* and *conpadres.* Padrinos were sponsors of specific things such as a wedding cake, a band for the community party, or the school library. Conpadres were nonfamily members who cared for a specific child contributing economic and social resources to their upbringing such as paying for a child's education and acting as a surrogate parent. Economic redistribution was a core value of Suma Qamana (Figure 7.1).

Bolivian *comercio justo* addressed price controls, community development, and access to credit just like the foreign Fair Trade institutions did, though environmental protection, the allocation of funds for community development, and technical training were not preset. However, other parts of the Bolivian constitution adequately addressed the environmental aspect of trade, though there was no allocation for technical training nor was there much detail about how items such as preferential market treatment and encouraged communitarian

production would happen. Technical training, price stability, and long-term market access produced the most significant benefits of the institutional Fair Trade model and brought the greatest level of success to producers. However, many Bolivians viewed the foreign, institutional Fair Trade model as something less than ideal but necessary for foreign market access. They resented the high dues they had to pay, the inaccessibility of the institutions when Bolivian business models did not fit membership guidelines, being required to invest funds back into their communities, as required by certification guidelines, and not having stronger market guarantees. Bolivian *Comercio Justo* advocates wanted foreign institutions to accept their Fair Trade model on par with other institutional models. No Fair Trade institution has done so yet, citing that they must adhere to their own guidelines for the purpose of accountability and uniformity. The best the institutions had to offer was the opportunity for Bolivian producers to apply for membership within their institution (Stenn, 2010).

Regional Comerico Justo

Bolivia developed a broader view of *comercio justo* with other Andean nations and South American countries in the early 2000s, before it was voted in as part of the 2009 constitution. Like the institutional Fair Trade model, *comercio justo* was a method of fairness in trade where participants earned enough to make their work worthwhile, created meaningful products that respected to the local community and environment, and contributed to the community's well-being. Comunidad Andina (CAN) created in 1979, is a community of the four Andean nations; Bolivia, Ecuador, Peru, and Columbia with the purpose of achieving balanced, autonomous development within the Americas by "working together to integrate methods which contribute to sustainable and equitable human development" (CAN, 2011). In order to achieve this, CAN's goal is to "live well, with respect for the diversity of different views, models, and approaches" (CAN, 2011). Each of CAN's member countries participated in varying degrees of unsuccessful neoliberal reform. CAN's purpose and goals reflect their recognition of the importance of working together in well-planned, meaningful development that embraced diversity and put people's well-being first. All of CAN is well versed in Suma Qamana and Sumak Kawsay and embrace its philosophy and meaning. Within CAN, Bolivia and Ecuador developed guidelines for *comercio justo* that are similar to those adopted by the Bolivian Constitution. These guidelines of fair pricing, preferential opportunity for producers,

and concern for community, the environment, and producers' well-being fit in well with CAN's own collective cultural setting and desire for trade for all to be more fair (Figure 7.2).

CAN networks with the Unión de Naciones Suramericanas (UNASUR, Union of South American Nations), a collaboration between Argentina, Bolivia, Brasil, Chile, Colombia, Ecuador, Guyana, Paraguay, Perú, Suriname, Uruguay, and Venezuela formed in 2004. UNASUR seeks an "integration and unity within the cultural, social, economic and political affairs of their people" (UNASUR, 2011). Meetings are participatory, consensual, and attended by the heads of state who focus on topics of political dialogue, social policies, education, energy, infrastructure, finance, and the environment (UNASUR, 2011). UNASUR works to eliminate socioeconomic inequality, achieve social inclusion including participation of all citizens, builds democracy, and strengthens the sovereignty and independence of member states (UNASUR, 2011). It is interesting to note the ideological, social, and economic diversity among the sovereign nations that formed UNASUR, from the wealthy Brazilians, to Bolivia's begrudged neighbor Chile, to Free Trade supporter Colombia, to

Figure 7.2 Small herds of native alpacas are corralled in rural family farms for the evening in Tola Pampa, Bolivia. Left to freely wander the slopes of the Andes Mountains by day, they are identified by colorful pompoms in their ears. Family herds intermingle. Many members are in food and fiber cooperatives, sharing in the herd maintenance and processing of fiber and meat products (Photo: T. Stenn, 2008).

the far leftist government of Venezuela. UNASUR meetings were a place of plural grounding. Sen defines plural grounding, introduced in chapter 2, as a way of looking at sometimes conflicting viewpoints as a greater whole and accepting the plurality of what something may be. In UNASUR, tolerance for many different interpretations of regional development and needs are accepted. A strong commitment by UNASUR to integration and unity make these differences tolerable allowing new and creative development processes to emerge.

To better understand UNASUR it is helpful to know popular development theories from South American intellectuals. Brazilian author Alberto Guerreiro-Ramos wrote of the three models of human being; that of operational man, reactive man, and parenthetical man (1972). The operational man was the man of Adam Smith in *Moral Sentiments*. He/she was the rational being guided by the invisible hand of one's own self-interests. Ecuadorian scholar Francisco Salgado described Guerreiro-Ramos's operational man as a "passive individual . . . a calculating character moved by material rewards; isolated and independent from other people" (2010, p. 201). Guerreiro-Ramos's reactive man was equally complacent but reacted to stimuli that were functional to his environment (Salgado, 2010). The reactive man was a passive advantage seeker who was the type of person, for example, who would stay with an unsatisfactory job in order to ensure a secure living for the family. The reactive man adjusted to a situation by giving up on certain personal goals. There is some semblance between Guerreiro-Ramos's reactive man and Sen's idea of bounded rationality presented in chapter 2. In both cases an individual was passively settling for something less whether through a lack of better choices or better information. The reactive man was enduring something less because it seemed the right thing to do while the person with bounded rationality was choosing something less than ideal because of uncertain circumstances. In both cases, the individual could have made a more concerted effort to create more options for themselves but chose not to. The operational and reactive man operated from the locus of self-living locked within the confines of their own being. Guerreiro-Ramos's parenthetical man however was an independent critical thinker. He/she was a person who was "suspended" and "between parenthesis" with a critical consciousness of daily reality, able to make decisions objectively and holistically by considering many possibilities and outcomes before choosing one (Guerreiro-Ramos, 1972). Being able to critically assess, create multiple choices, analyze, and choose the best action based on many factors such as self, community, ethics, and values, enabled the parenthesis man to step back and weigh the impact of his choices both

on himself and the greater community. Engaging in deliberation and choice gave the parenthesis man freedom and through this freedom, connected him to the greater society. The freedom of the parenthesis man was shared with others as this now-freed and enlightened being became "committed socially" to awakening the operational and reactive people to the reality of their own experiences (Guerreiro-Ramos, 1972). "Parenthetical man," explained Salgado "challenges the model of society and human beings submitted to the market and seeks solidarity in the living together with other people and other species of the *Pachamama* [earth mother]" (2010, p. 201).

Guerreiro-Ramos saw critical consciousness developing from within. The parenthetical man became critically conscious independently, through his own realizations. However, Brazilian doctor and philosopher Pablo Freire saw critical consciousness as developing both from within and collectively. A country's development, he explained, was a collective project with its own historical uniqueness, stories, and beliefs. Within a country's own history is where reality was understood and the future defined. Consciousness began in similarities and shared histories. "Our hands must raise to work together," explained Freire, "not to plead" (2002). Freire saw parenthetical man freeing others through his enlightenment not as an act solely of his own initiation, but as one influenced and supported by those around him as well.

South America's UNASUR are parenthesis people. They consciously choose to step away from their own self-interests, refusing to settle for what is good for one, such as favorable trade terms, and instead working together as a collective to, for example, value trade that benefits all. In this manner members' socially committed perspectives create a critical consciousness. UNASUR's members have many shared histories within their region such as deep indigenous roots, largely Spanish conquests, colonization, military regimes, and foreign-dominated neoliberal trade. These histories form a common story that all can relate to. Assertions made in an academic, legislative, or government setting about the need to honor and protect *Pachamama* and her inhabitants, or the desire to create unity within the cultural, social, economic, and political affairs of the people are normative in the South American setting. UNASUR members are well versed in and support the Andean nations' Suma Qamana and Sumak Kawsay. Though they may not have Suma Qamana or Sumak Kawsay in their own laws, they do have similar values and with intellectuals and scholars studying Suma Qamana and Sumak Kawsay, writing about it, and teaching it in university classes. Suma Qamana and Sumak Kawsay were a part of the collective consciousness of UNASUR's leaders who

valued sustainable and equitable human development, the "living well" of all, and granted the earth the same rights as human beings, made the emergence of *comercio justo*, Suma Qamana, and Solidarity Economy possible.

The *nyaya* definition of justice is one that is open and broad, made up of many loosely defined ideas and intentions but with a cohesive outcome of greater fairness for all (Sen, 2009). Suma Qamana, is *nyaya* in its focus on human lives and that what happens in the world matters both politically and ethically. It brings importance to one's personal responsibilities for the consequences of their decisions both positive and negative, and holds close the personal relations one chooses to have. CAN *comercio justo* states that the environment has rights, just like a person. These rights, like a person's must be protected. From this perspective, the environment is serving the economy, not the other way around. For example, a farmer believes that *Pachamama* gives him or her a coffee plant, not that they simply planted coffee seed in the ground and it grew. Intellectually, they know they are cultivating coffee, but spiritually they see the coffee as a gift, and honor and thank the gift giver. The power shift here is subtle but significant. By receiving *from* nature, one is dependent on the service and goodwill of nature. For example, *Pachamama* does not have to give the farmer coffee. And if the farmer does not respect *Pachamama*, perhaps she will not give him gifts any more. From this perspective nature is not something to control, manipulate, explain, or dominate, rather it is simply something greater than ourselves to honor and respect. In this mind-set, one is dependent on nature's own goodwill for their own well-being and therefore takes much care to not upset or damage nature, treating her as a loved child, rather than resource to use or conquer. This shift in power creates feelings of humbleness and respect. By seeing nature as something greater than one's self, one is able to honor, love, and respect not just the earth but also her people and all living things. In this perspective it becomes clear that the earth has rights that must be protected in order for the earth to continue to exist and provide nurturance and life for all. This does not mean that there is no need for agricultural planning, fertilizing, agronomy, and science; there is and Andean farming methods were being rediscovered and reimagined. But agriculture in Suma Qamana is approached in a careful sustainable manner. Much of Bolivia's Fair Trade and *comercio justo* agriculture products are also certified organic and produced without petrochemicals and pesticides, because of farmers' close links with the environment and sustainability.

South America's multifaceted approach to economic development universally embraces elements of community, environment, and well-being and seeks consensus and participation. These are quite different from the aggressively imposed neoliberal policies of the 1980s that were process-oriented with little concern for community, consensus, or dialogue. Neoliberal reform was about less government control and a freeing of markets. Fair Trade is not a part of neoliberalism; in fact, its methods of market protection, minimum price fixing, long-term contracts, extension of credit, and extensive training are the exact opposite of the neoliberal principles of free markets with no interventions (see chapter 2). In the decisively non-neoliberal environment of UNASUR, the idea of *comercio justo* as a trade protection that focuses on well-being is a natural outcome of the UNASUR dialogues.

An example of UNASUR's *comercio justo* is found in Lima, Peru's *sud-a-sud comercio justo* (South-to-south Fair Trade) weekly markets. Featuring on locally produced goods and direct trade, these markets differ from institutional Fair Trade through their focus on food security, environmental sustainability, and local community instead of export commodities. Food security is the development of sustainable local food sources to meet people's nutrition needs. Established over ten years ago, these markets feature up to 75 vendors affiliated with regional Fair Trade and organic associations, cooperatives, non-profits, projects, organizations, and groups (Cortera Fretel, 2013). Many varieties of environment friendly, healthy products are present such as produce, grains, prepared foods, herbs, spices, teas, cheese, ice cream, clothing, jewelry, household items, and handicrafts. Each is presented with its story of how and why it is Fair Trade, ecological, and organic and how it helps the greater economy and/or marginalized producers. In addition, regular education workshops are held on market days that include themes such as healthy living and eating, the use of medicinal teas, the benefits of organic production on the natural environment, composting, and other such themes. Upward of 1,000 consumers regularly visit *Vivo Feria* (Live Market) in Miraflores every Saturday from 8 a.m. until 1 p.m. Nearby in Molina the newer *Mercado Saludable* (Healthy Market) features 64 producer groups and attracts upward of 500 visitors weekly (Cortera Fretel, 2013). Visitors are attracted to these markets first for their own health, seeking healthy clean organic products for their own personal well-being. The secondary motivation for their participation is the care of the natural environment. Knowing that products are made in a sustainable, environmentally friendly way that honors the Pachamama is of importance to Peruvian consumers. Product quality

and fair prices are also important factors. Consumers want to know they are receiving a high quality good and that producers are being paid properly for it. These markets appealed to Lima's middle class. In the spirit of Solidarity Economy, the local government supports the markets by providing free access, permits, space, and publicity. Regional governments representing the interests of the people support producers by funding studies and technical assistance programs. Producers contribute toward the costs of maintenance, water, and electricity. Consumers through their purchasing, generate income for meaningful programs that support well-being, the environment, and the producers. By working together in a common vision of well-being for all, everyone benefits in creative and distinct ways.

The main difference of CAN *comercio justo* guidelines from Bolivian and institutional guidelines is that it extends requirements for fairness and transparency through the entire product chain including crossing country borders, not just at the producer or country level. This means that not only did the product need to be made in a fair fashion with adequate wages, worker and environmental protections, and community support, but also that the raw materials need to be sourced in the same style, and retail outlets selling the goods also needed to follow guidelines of adequate wages and environmental protections as well, even as national borders are crossed. By all UNASUR members embracing the same guidelines, a regional *comercio justo* becomes possible.

Social and Solidarity Economy

South American governments are not the only ones envisioning more fair and equal trade, *comercio justo* is also adopted into the broader concept of Economia Solidaria y Social (SSE, Social Solidarity Economy) embraced by Bolivia, CAN, and UNASUR. SSE is a form of "economic rationality" that is based on cooperation and creativity in seeking economic transformation (Razeto, 1997). Economic rationality is the organizing of economic activities with outcomes focused on the good of the individual within the whole rather than individual gain at the expense of the whole. Intellectuals, organizers, and governments have been studying and participating in SSE since the 1980s. Today SSE is taught in scores of universities worldwide and is offered as a degree program in many of them as well. In Europe over 11 million people are employed in SSE activities. This represents 7 percent of all jobs in the European Union (EU) (Buglione & Schlüter, 2010). Widely studied, it is found that SSE "highlights the increasing

importance of co-operatives, mutual societies and associations for creating and maintaining employment and correcting serious economic and social imbalances" (Buglione & Schlüter, 2010, p. 19). Solidarity Economy is an economic organizing concept based on cooperation and founded on the core belief of people's deep creativity and capability to develop their own solutions to economic problems (Miller, 2010, p. 3). Others call it a social movement that contributes toward the consolidation of a "genuine economic and political democracy" (RIPESS, 2012). SSE works within existing economic initiatives such as Fair Trade, cooperatives, barter, community credit unions, time banks, community sponsored agriculture, intentional communities, open source free software, and the like. Through the collective action of SSE, global development takes place in a more meaningful, sustainable, people- and planet-centered, fashion. Government, intellectual, public, and private sector participants from every continent form SSE networks such as the Intercontinental Network for the Promotion of Social and Solidarity Economy (RIPESS) and host international conferences to help share ideas and form partnerships that bring forth another type of economy. The SSE movement along with other initiatives such as Suma Qamana, Sumak Kawsay, and *comercio justo* challenges individualistic societal norms and shows another way in which sustainable, global living can be achieved.

In June 2012, in light of the United Nations (UN) Conference for Sustainable Development of Rio+20, RIPESS issued a declaration asking the UN to look beyond its use of agencies and institutions to promote sustainability and to look toward SSE. Authors and signers included participants from Argentina, Brazil, Bolivia, Canada, Chile, Columbia, Costa Rica, Dominica Republic, Ecuador, El Salvador, France, Germany, Guatemala, Honduras, Hungary, Italy, Luxemburg, Mali, Morocco, Nicaragua, Paraguay, Peru, Philippians, Portugal, Spain, Thailand, Tunisia, Uganda, United States, Uruguay, and Venezuela.

> Solidarity economy establishes systems of fair trade, ethical finance and complementary currencies that genuinely serve the real economy, as well as short distribution circuits between producers and consumers, food sovereignty and other concrete alternatives. The solidarity economy movement along with other movements that are changing society are the living proof of a genuine democratic project that respects human rights, labour rights, civil rights and cultural diversity as well as the rights of nature for the *bien vivir* (wellbeing) of populations. SSE, Sumac Qamana and comercio justo serve the *bien vivir* of the people. (RIPESS, 2012)

"We are building," explained Paul Singer from Brazil, "in the midst of contradictions, in the cracks of capitalism, a new type of society and economy" (Guerra, 2002). Successful outcomes of Solidarity Economy may not be an increased GDP, but rather a lowering of poverty or an increase in the quality of life for all. Successful Solidarity Economy outcomes could not only be achieved monetarily through trade and state-funded social programs that would be captured in a GDP, but could also occur informally through barter, volunteerism, and other nonmonetary community-based methods, or most likely be a mix of both.

Despite growth and identity challenges discussed in chapter 2, this was an opportune time for Fair Trade as *comercio justo*, institutional Fair Trade, or a hybrid a mix of both (for example, government supported, institutionally promoted Fair Trade) to enter into national constitutions, governmental trade policies, and be an important part of SSE. Fair Trade provided "significant social participation and strengthens the democratic culture" (Cortera Fretel, 2009). Fair Trade is often linked to sustainability with its inclusion and self-promotion of producers committed to sustainability, the distribution of returns, support of the environment, and local development (Buglione & Schlüter, 2010).

Vignette: The Solidarity Economy and Gregoria Garcia

The following is a true story based on an interview with Fair Trade knitter Gregoria Garcia. It demonstrates how the SSE works to help people get their needs met in collaborative and creative ways. Gregoria Garcia, age 45, lives in a neat two-room home with her three children, Mariela 17, Norma 15, and Rodrigo 11. The home has a dirt floor, no electricity, or running water. She speaks her native language Quechua and is illiterate. Her husband, an abusive drinker, left her for another woman five years ago. He pays no child support. Garcia owns a small farm outside of the colonial town of Arani though without a husband, she is unable to farm and also care for her home and three children. In the spirit of SSE, a rural neighbor farms Garcia's land. In exchange for access to the land, he shares half the harvest of wheat, barley, and potatoes with her. Four days a week Garcia sells hers and her neighbors' potatoes at local markets, sharing the proceeds. Garcia always liked knitting but was forbidden from doing so for money. "My husband was jealous," she explained, "he felt it [paid labor] would make me too independent." Garcia had also been forbidden from selling

potatoes in the markets for the same reason. Now with her husband gone, Garcia knits export quality clothing and sells potatoes to support her family.

Initially overwhelmed at being left as a single mother, Garcia developed a drinking habit with her neighbors, consuming *chicha*, a local drink made of fermented corn. She had to quit drinking when she joined the knitting group. Here she learned organizational skills, improved her knitting, is educated about women's rights, grew her self-esteem, and earned and better managed her money. "Now my children wash the clothes so I have more time to knit," she explained, smiling. Garcia often knits at night by the light of the gas lamp. Her eyes sometimes hurt and she is tired, but she is happier. She wants to invite her other friends to knit too.

By sharing land, work, and revenue with her neighbor, both are able to collaborate to have their needs met. Working in Fair Trade and learning better life skills enables Garcia to realize an even higher quality of life than she had previously. Her family benefits from the better organization, she is not overwhelmed, and new economies are being built in her community both through local markets and exports.

A Few Challenges

Institutional Fair Trade is different from the models embraced by UNASUR, CAN, and Bolivia. Most institutional Fair Trade is developed for export markets where it is heavily promoted in Europe and the United States of America. Due to its focus on foreign markets that are not well-known or understood by producers, and on foreign-based guidelines, Fair Trade producers themselves have difficulty expressing what it is they are participating in. Of the vast amounts of research that have been done on Fair Trade, very little is written in Spanish or made available to producers in the South American region. Though there are studies of Fair Trade specifically in South America, they are rarely shared with the participants studied. "Once the researchers leave Bolivia they put us in their papers and show our photos. We are abandoned and forgotten" (to the world, but not to us) explained a Fair Trade knitter who had been included in several studies that she never saw the results of (Stenn, 2010). In South America, as in Europe and the United States, institutional Fair Trade because of its price, quality, and niche market appeal is largely supported by the educated upper-class consumer. Fair Trade products in Bolivia are available through a few shops in the tourist sectors of large cities, at occasional *comercio justo* and SSE regional trade shows, and at outdoor bazaars. Its higher

price structure excludes some Bolivians from participating, especially at the producer level, which along with irregular foreign market orders, leads to feelings of inequality and uncertainty.

Bolivia's *comercio justo* is just developing. Products are found at regional *Comerico Justo* Festivals where producers, in similar style to Peru's markets, rent booths and tables to display and sell their higher priced goods and educate consumers. A Ministry of *Comerico Justo* has been developed to support this sector is organizing standards and models to determine how Bolivia's *comercio justo* can be better supported and promoted. Though the government did not have a buying policy mandating that *comercio justo* products be used in all government-funded projects nor did it provide any specific market development, technical training, or sector development, and support. Overall, there is not much government support nor public awareness of *comercio justo* in Bolivia. Some of this was due to the recent creation of *comercio justo* in the constitution and the overwhelming amount of new laws that needed time to be understood and implemented. Though many Bolivians simply do not have the income to spend on usually higher priced, better quality *comercio justo* products, many do and markets set up in affluent neighborhoods can do well. Cortera Fretel noted that many producers need assistance with product quality, technical and administrative skills, a deeper understanding of Fair Trade and the responsibility it holds, and help with consumer education (2009).

Conclusion

Though *comerico justo* is still developing in Bolivia, it is a vibrant model in neighboring Peru, and one being adopted throughout CAN and UNASUR. *Comercio justo* embraces a shared global solidarity with SSE and provides an important link between producers, governments, retailers, and consumers enabling them to all be a part of *comercio justo* with equal roles, responsibilities, and collaboration. This is important for the development of a truly fair system of trade justice. Plural grounding embraces different trade approaches and creates a place of commonalities as one thinks of community as the extension of one's self, putting societal concerns above one's own and creating a space for trade and all aspects of being to truly be fair and support the expansion of justice. SSE emerges as a social and economic unifier as many nations begin implementing sustainable alternatives to the popular economic models.

Supplemental Materials

Mapping Fair Trade and Solidarity Economy

- Identifying
- Networking
- Mapping

SSE, grounded in principles of solidarity, participatory democracy, sustainability, equity in all dimensions, and pluralism is a fast growing global movement. From the Mondragon cooperative university, banks, and factories in Spain; to worker-owned sewing factories in Brazil; to Fair Trade cacao farmers in Ghana; to time trade, freecycle, transition towns, and barter networks in US communities and across Europe; SSE is everywhere. SSE is a creative, ground-up approach toward living, originating in the universities, workers unions, indigenous communities, and governments of South America. It is about working together in meaningful and creative ways to ensure needs are met and that each person is a valued part of a vibrant community.

To meaningfully work together and have needs met, SSE supports workplace self-management and collective ownership. This is realized in many different ways including worker, producer, consumer, and housing cooperatives; credit unions; community-owned enterprises; and shared commons and is often expressed through participatory governance. Participatory governance, as seen in the introduction of the CA in chapter 6, enables stakeholders and constituent groups to participate in planning as well as in developing, reviewing, and revising policies and procedures through councils, committees, and working groups, providing an opportunity for all perspectives and group interests to be considered.

Themes of antipoverty and social inclusion are particularly important in SSE. For example in Nepal, the Federation of Community Forest Users of Nepal (FECOFUN) is a 5 million-member SSE-style organization of rural farmers. FECOFUN-built databases of forest products provided forestry management training and created and consolidated community cooperatives and enterprises based on forest products using participatory governance methods. Since 1975, FECOFUN has been instrumental in helping to protect Nepal's valuable non-timber forest products, promote sustainable harvesting practices, and keep local management and control in the hands of marginalized, rural inhabitants (Fonteneau et al., 2011). Now instead of clear-cutting forests for immediate short-term economic return,

Nepal has intact forests that continuously produce saleable products such as nuts, herbs, and berries, broadens local eco systems and environments for animals, provides erosion control, preserves water, and gives people a place to visit and share in nature.

Direct trade is also an important part of SSE. For example, local coffee shops in the United States may have direct trade relationships with foreign farmers who cultivate the beans they buy, and engage in social entrepreneurism by providing additional community benefits such as providing uniforms for the local soccer team, and building relationships.

In SSE ordinary people play an active role in shaping their economic lives through an ethical, values-based approach that prioritize the well-being of people and the natural environment over growth and profits. The RIPESS Charter includes values such as humanism, cooperation, and reciprocity; social, political, and economic democracy; equity and justice for all including gender, race, religion, ethnicity, class, age, and sexual orientation; sustainable development; pluralism, inclusivity, diversity, and creativity; and supported decision making and management as locally as possible (Kawano, 2011). SSE is inclusive, diverse, expansive, and amorphic. It can be found in many places and takes on many different shapes, from large, sophisticated complex community arrangements to small, local, grass roots initiatives. It is also highly networked, linking with different social movements to build alliances and mutually supportive collaborations. It was easy to engage in SSE due to its diversity, creativity, and nonmonetary approaches to being, but hard to define, find, track, and measure.

Activity

I. How Are You Participating in the Solidarity Economy?

Check off anything you have done in the past 12 months.

Working, Volunteering, and Producing

– as part of worker-owned cooperative
– as part of a producer cooperative (e.g., a farmer's cooperative)
– as a worker for a socially responsible and/or green business
– as a social entrepreneur (engage with a business with a social or environmental goal)
– as a worker for a nonprofit with solidaristic values (day care, social movement group)

– as a whistle-blower or transformer in a non-solidaristic business or nonprofit
– in a nonprofit/social movement/community organization
– as a member of a time trade circle
– as part of a progressive union
– DIY (do it yourself) and DIO (do it ourselves)

Forms of Exchange

This can be achieved by participating in:

– giving or getting for free: open source software, really free markets, freecycling, charity, volunteer work and unpaid work, skill-shares, freeganism
– swapping and bartering: informal swaps, swapfests, barter clubs
– time trade circles: one-hour exchanges for one hour, within a community economy
– taking or using that which isn't being used: squatting, recuperated factories, refusing eviction
– sharing: in family economy, with friends and neighbors
– sliding scale pricing
– community currencies: keep purchasing power in local economy
– other———————

Consuming

– Fair Trade, direct trade, socially responsible, or green consumption
– sharing
– collective consumption of public goods: funded by taxes, free to users such as libraries, pools, roads, public schools, and parks
– simple living
– freeganism: living off the waste stream, food banks, recycling, dumpster diving
– consumer cooperatives: like food co-ops

Saving

– checking or savings account in socially responsible bank or credit union
– socially responsible investment
– seed banks
– conservation land trusts
– rotating credit association

Mapping

II. Where Is the Solidarity Economy Around You?

Purpose: Make a map of local businesses or organizations that meet SSE criteria within your community. Community can be defined as a city, town, or a ten miles (or less) radius from a specific location, depending on the population density of your site. This can be done individually or in teams. Some businesses might not realize they are a part of SSE or may not be familiar with the term. Take the time to educate them. Invite them to become involved in any local SSE initiatives you know of. Examples of SSE-mapping projects can be found with the US Solidarity Economy Network (US-SEN): http://ussen.org/mapping-economic-integration, and at Haverford College's Solidarity Economy Resources. http://www.haverford.edu/politicalscience/solidarityeconomy/mapping/. An example of New York City's SSE map is here: http://solidaritynyc.org.

Method

1. Check if there is already a local mapping project, and if so, try to connect your work to theirs, rather than replicate theirs.
2. List all of the SSE businesses in each of the following sectors listed below. Be sure to include Fair Trade, retail, online, wholesale, community, and other nontraditional business models. To find SSE businesses, Google-related nonprofit networks, for example, CSA's or CDFI's, check directories such as the *US National Green Pages*, produced by Green America and found online: http://www.greenpages.org/, visit a local food co-op and look for directories or lists of like-minded SSE organizations, and network. When a SSE business is found, ask customers and employees to name other local SSE businesses or businesses similar to those on the list below if they are not familiar with the term SSE. For large cities, focus on one type of solidarity economy entity, or one small part of the city.
3. Include a short description and web site links where applicable.
4. Map locations on google maps: https://maps.google.com/.
5. Name them Social and solidarity economy: _____, or Solidarity Economy: _____with your area location or name, and make these *public*.
6. Email the US Solidarity Economy Network and let them know of your map. You will be adding to the growing global database of information and examples of SSE!

Suggested Sectors in which to Find SSE

Consumption

Consumer cooperatives
Buying Clubs
Cohousing
Intentional communities
Housing Cooperatives
Community land trusts
Barter Clubs

Production

Worker cooperatives
Producer cooperatives
Volunteer collectives
Community gardens
Collectives of self-employed
Educational Co-Ops
Childcare Co-Ops

Finance

Credit unions
Community development credit unions
Peer lending

Exchange

Fair trade networks
Community supported agriculture and fisheries (CSA)
Complementary currencies
Barter networks
Free-Cycle networks
Time banks

Governance

Participatory budgeting
Collective community management of resources

Other

Community Development Corporations (CDC's)
Community Development Financial Institutions (CDFI's)
Solidarity-Economy Supporting Nonprofits
Unions
Student Co-ops
NGOs (producer or consumer focused)

Part III

The Women of Fair Trade

Moving from the larger view of Fair Trade in Bolivia to a detailed study of the producers themselves enables one to more fully understand the cultural and political intersection of Fair Trade and justice. Part III enables a deep understanding of how the roots and heart of Fair Trade develops. The next three chapters build upon each other, taking an in-depth, personal view of the women of Fair Trade. Women producers are the least studied and known part of Fair Trade. Not always visible from their place within the family home and often not present in leadership roles, women are easily overlooked.

Fair Trade is experienced differently in different industries, for example, handicrafts and agriculture. The following are studies of women in both types of Fair Trade. The social, cultural, and historical context of the women in their Fair Trade participation creates a broader view and deeper understanding of what Fair Trade does and is for the people it is set up to serve. Two studies conducted in Bolivia, one in 2010 and the other in 2012, capture Bolivia's gender transformation after the passing of the 2009 constitution that for the first time recognized women separately from men granting them specific human rights. As Fair Trade promotes gender equality, and Bolivian women emerge in a new gender visible place, the effects that one's sociopolitical environment has on their ability to experience justice changes.

The women studied are of Aymara and Quechua descent. They identify themselves as being "original people," the term Bolivians prefer to "indigenous," which they feel is associated with the country of India that they have no relation to. Calling oneself an original person means that the individual feels connected to the Tiawanku descendants, Incas, and other people originally living in the region at the time prior to the Spanish conquest. For the purpose of this text, however, I will use the term "indigenous" because the term "original" can cause time and place confusion when used in descriptive text. The

women's reference to their cultural identity as being *originales* (originals) is an important distinction because the indigenousness of the women creates a unique experience and worldview that is different from that found in popular feminist theory. Part III reveals how one's worldview and local environment has different effects on the way in which one experiences justice.

8

Meet the Fair Trade Knitters

Introduction

Ethnographic study focuses on the meanings and concerns of people in their everyday lives including people's social and interactional processes and activities (Emerson, Fretz, & Shaw, 1995). This type of study is performed over time and is supplemented with additional resources collected in the field such as academic literature, government reports, data, and artifacts. In this manner, ethnographers get to know the people studied in a very deep, holistic way, often forming lasting bonds (Hoey, 2011). There is a personal piece that develops with the research as lives are shared and events witnessed. Ethnographers must maintain a degree of detachment from their subjects in order to ensure an impartiality and non-bias. By balancing their roles as observer and participant, ethnographers are deeply and personally involved in the research process. It is in this observer-participant relationship that personal history and motivation become important. "Ethnographic fieldwork," explained ethnographers Brian Hoey and Tom Fricke, "is shaped by personal and professional identities just as these identities are inevitably shaped by individual experiences while in the field" (Hoey and Fricke, 2007, p. 581).

An ethnographic approach captures the indigenous experience in the context of its own reality and reduces researcher bias. Ethnographic research methods used in the 2010 and the subsequent 2012 study included the talking stick, Participatory Rural Appraisal (PRA), thick description, language studies, and observation. The talking stick, a native American tool, is used to bring forth discussion and participation from an entire population. Participants sit in a circle while one stick is slowly passed from neighbor to neighbor. As each participant received the stick, they paused and spoke extemporaneously about the topic at hand while everyone else listened. No questions or comments

are shared until everyone gets a chance to speak. The talking stick is used at knitters' regular weekly meetings and at coffee growers' agricultural workshops as a way to capture the current concerns and experiences of the women.

PRA is a bottom-up research method in which the people studied guide their own research by collecting and interpreting their own data. After the talking stick exercise is complete, participants discuss the themes that emerge, labeling them by topic and listing them as positives and negatives. This forms the quantitative background of the study, as the frequency of reference to certain themes is measured and given numerical value. Thick description, a method of anthropologic study developed by Clifford Geertz, uses great detail to explain a behavior and its context so the behavior becomes meaningful to an outsider. It captures experiences in subjects' own voices, listening to what they say about their own circumstances and also the silences of what they do not say (Geertz, 1973). Researcher observations include living arrangements, family, food, work, and the context of daily events within the research area. The women studied speak Quechua and Aymara as their native languages and conversed with the researcher in Spanish as a second language. The structure and meaning within these languages shapes how ideas are heard and understood. Polyvocality, the use of multiple voices as a narrative, enables a group to "speak in their own voice" (Emerson et al., 1995, p. 13). Enabling knitters to speak without the guidance of a survey or interview questions, reduces personal bias and preserves authenticity; women speak freely without the researcher directing them. Presenting the knitters' own narrative, known as *textualization*, without elaborate analysis, enables others to draw their own conclusions thus removing the researcher, and any associated bias, from the interpretation. Engaging in ethnographic study using polyvocality and textualization enables one to "create a world on a page" (Emerson et al., 1995, p. 16). Ethnographic studies of knitters enables their perception of justice to be examined in the context of their encounters with globalization and the unique dimensions of inequities that configure their lives, their perception of justice (Gunewardena & Kingsolver, 2009).

Background

Fair Trade handicrafts are part of a slow-growing sector that make up just 10 percent of the almost $6 billion global Fair Trade market (Eversole, 2006). Though small, in comparison to the more popular

Fair Trade food sector, handicraft work gives women direct access to economic opportunities. Unlike food production, Fair Trade handicraft participation does not require land ownership for crop production, artisans just need to be available to learn, work, and grow. Often production takes place at home or in easily accessible production centers. Most Fair Trade handicraft artisans are women.

I have known and worked with many of Bolivia's indigenous Fair Trade knitters since first meeting them as a Peace Corps volunteer in 1996. In the 1990s Fair Trade knitters are rural farmers living in small communities across the high windswept plains of Bolivia's altiplano, supplementing their farm income by producing hand-knit products for export. Several 1990s LPP programs focused on women's small business enterprise (SBE) development by bringing handicraft workshops to Bolivia's rural areas and teaching women a marketable skill. The knitting groups maintained themselves as small farmers in remote, rural communities with slow, steady growth in their knitting work and little change in their work and daily life structure until 2010 when many factors such as environmental and social change drastically altered Bolivia's rural environments. Once rural farmers produced enough food for their families with surplus to sell in local markets and supplemented their income with additional revenue from knitwear sales. Most Fair Trade knitters today no longer knit on rural farms but instead are recent migrants to vast urban centers outside of Bolivia's major cities (Stenn, 2012b). This new wave of urban migration in Bolivia is driven by a combination of many factors such as the adverse effects of climate change reducing farming output, the desire for a better education for children, improved infrastructure for travel and communications, and changes created by the 2009 constitution that guarantees families access to land, sewer, electricity, and basic infrastructure. Thousands of families from the neighboring highlands converged on the urban El Alto region from 2010 onward (Albo, 2009). In the midst of these changes, Fair Trade takes on new roles in economic development, community building, education, and women's leadership.

Language

Andean women speak Quechua and Aymara as their primary language and Spanish as a secondary one. Linguist Benjamin Whorf, in his Whorf Hypothesis, explained that language not only voiced ideas but also shaped them. Human experience and behavior are defined by the language world in which they lived (Stafford, n.d.).

Examining the knitters' linguistic expression of their experience using the Whorf Hypothesis, brings to light nuances in translation and expression and provides important clues to the effects of Fair Trade.

There is much complexity to understand in Andean languages, especially as women switched from their native languages of Aymara and Quechua to their second language of Spanish in order to communicate with the researcher. Much of the ethnographic talking stick discussion includes implied meanings. For example, a woman talking about the difficulties of balancing her home responsibilities with knitting said, "the children, it's hard," implying that it is hard to take care of the children (which includes cooking, washing clothes, attending to their needs, and bringing them to school) and also to find time to knit (Stenn, 2010a). In addition, there are verb tenses in Quechua and Aymara that do not exist in Spanish such as two forms of the pronoun, "we." There is a "we" (*kanchis*) that includes everyone and a "we" (*kayku*) that includes everyone except the person being addressed. This is an important distinction as women Fair Trade coffee growers, studied in chapter 6, speak of their exclusion, *kayku*, from Fair Trade meetings and the knitters here spoke of the inclusiveness, *kanchis*, of their meetings. Spanish also has verb tenses that do not exist in English. For example, there is a past tense for a permanently past situation and a past tense for a past situation that could happen again.

This is an important distinction in conversations that focus on climate change and migration. It seems that climate change is thought of as more temporary and unpredictable, while migration is spoken about in more long-term language. The women studied often mixed Quechua terms and words with their Spanish, and vice versa, creating something they call jokingly, Quechanol. Humor is an important part of Andean life. People faced with insurmountable challenges often just throw their arms up, look to the sky and laugh, leaving things for God to sort out. "*Que sera? dios sabe, Carumba Che, pues*! they would exclaim. Loosely translated this meant, "whatever will be, God knows, fiddlesticks, harumph." This research is inspired by the Fair Trade knitters making jokes about comercio justo being justo. "*Comercio Justo es justo?,"* they would ask, laughing. Meaning is Fair Trade fair? I found it curious that the women would question this and therefore chose to research it. Paying attention to humor, mixed language use, when this happened and with what words, created a deeper understanding of the indigenous experience and expression.

Migration

Climate change is greatly affecting the Andean region. According to the World Bank's *Economics of Adaptation to Climate Change* study, melting glaciers, violent hailstorms, frosts, late and extended rainy seasons, and El Niño's extreme climate patterns, occur with greater frequency in the Andean region (2012). This impacts both farmers and urban dwellers as droughts, hail, frosts, and floods cause traditional food crops to fail, driving up food prices as more goods are imported from neighboring countries and causing farmers to migrate to cities in search of wages, changing the urban economic landscape. The most extreme effect of climate change is the loss of Bolivia's vast tropical glaciers. Known as the "canary in the coal mine," these glaciers are the most vulnerable to climate fluctuations. For the first time ever, Bolivia's tropical glaciers are disappearing. Normally glacial snow melts slowly soaking into the rocky earth feeding Bolivia's extensive subterranean aquifers. These aquifers are a primary source of water for drinking and irrigation for millions of Bolivians living in semiarid highland regions. With rising temperatures however, there is rain instead of snowfall in the mountains. This rain melted the glaciers, and poured down the mountainsides, plunging into the rainforests ten thousand feet below, causing landslides and flooding. There was no time for the water to slowly seep deep into the soil and Bolivia's aquifers began to shrink and dry up. The World Bank predicts Bolivia's highland crop losses due to climate change to be 10 percent–15 percent annually (2012). Coffee farmers estimate their losses in 2012 to be upward of 30 percent due to late heavy rains that knocked the coffee cherries off the bushes. Farmers are not the only ones affected by climate change, urban dwellers have limited access to rapidly diminishing water supplies and are grappling with high food prices and destroyed homes and roads from landslides and flooding.

The Fair Trade knitters studied originated in the highlands of the *altiplano*, Bolivia's high windswept plains located 12 thousand to 14 thousand feet above sea level and stretching between the Cordillera Real and Cordillera Occidental mountain ranges, where alpaca herds freely roamed across the high mountaintops and along the shores of Lake Titicaca. They farmed a variety of mostly native crops such as quinoa, fava beans, potatoes, and wheat, and raised small herds of cows and sheep. Climate change affected them in different ways. In 2012, El Nino's unpredictable weather caused a late frost to damage the fava bean seedlings, an unexpected springtime drought to kill many wheat seedlings and then late rains to drown others, and an infestation of worms to eat the potatoes right before harvest. The

conditions affected the animals as well. Watering holes dried up and the small herds were plagued with parasites. Unable to provide for their families, farmers began to sell their livestock and migrate to the urban centers. It is important to note that Bolivia is not facing a food shortage or famine. Climate change also opens new places in which to grow crops such as quinoa, as formally frigid zones begin warming up. The farmers also have resilient methods of production that balance crop varieties with the changing landscape. Raising food prices provide an extra incentive for farmers to continue producing as they can now earn more for their yields, though there is a 10 percent decline in Bolivian agriculture output overall. Climate change along with easier access to cities, urban property ownership, and better education attracts rural families to places such as the urban center of El Alto, a city of over one million on the high outskirts of Bolivia's commercial center La Paz, which has been growing at a rate of 12 percent a year since 2007 (Vidal, 2011).

El Alto is established in 1781 as an outpost for the few remaining Incas still fighting against Spanish colonialism (Lazar, 2008). El Alto means "The High" in Spanish and at 13,287 feet above sea level, it is the highest major city in Bolivia (Lazar, 2008). Locals refer to the center of El Alto as *la ceja*, meaning "the eyebrow," as it rims the city of La Paz, Bolivia's teaming commercial capitol located in a valley three thousand feet below. Historically El Alto is simply a large, windswept plain, a part of Bolivia's vast highland altiplano, dotted with a sparse covering of course native grasses grazed by wandering herds of antelope-like vincuna. Today it is a vast network of cement streets and brick buildings dominated by wide avenues teaming with trucks and private mass transit vans, dotted with the carcasses of dead dogs that are hit by motor vehicles, windblown trash, and always dust.

Women speak about their migration in a long-term, permanent tense though when questioned about their recent migration, the women explained that migration is a temporary and natural part of their Andean roots, they still owned and operated their farms and that even in pre-Inca times, it is common for people to live and travel within different climate zones as different needs arose. They saw migration as a logical part of their socioeconomic survival, though the migration taking place in Bolivia in 2012 is the largest ever.

Thick Description: El Alto and Knitter Profiles

The following is a thick description of El Alto, the urban center that houses a large percentage of Bolivia's Fair Trade production

from many different industries. It is intended to build a context and place in which the knitters' lives can be understood. Contrast this to the description of the silent life in the vast countryside that follows for a deeper understanding of different ways of living that families move among. Lastly, knitters share their own lives and messages with readers in a series of knitter profiles. Following this section of thick description is further analysis of the knitter in the context of development and the role that Fair Trade plays in her life, examining Fair Trade's effects and understanding where and how justice arises.

Excerpts from the Ethnographer's Notebook: Research in El Alto

I walk through the dusty cement avenues of El Alto's Primer de Mayo neighborhood. Small, one- and two-story brick storefronts and houses line the streets, their straight walls forming a continuous line broken only by the occasional stucco wall or painted mural advertisements of local processed meats, drinks, banks, or phone services. The colorful advertisements read, "Tigo, Entel, Inka Cola, Dillman, Only in FIE can your savings grow safely." The streets stretch onward, lined by these walls painted bright lime green, royal blue, deep pink, yellow, white, bare brick, and occasional adobe. Dusty awnings and wide corrugated metal storefront doors complete the visage.

The sidewalk is slick and pours from the curb to the walls. The edges and cracks hold a crusty layer of dried dog dung, scrubby plants, stones, tattered plastic bags, and other small pieces of trash. Sometimes the sidewalk ends in a cobblestone mass or a dirt track, only to soon resume again, slick grey concrete. There are no cars.

The tall purple and white peaks of Mount Illimani loom in the distance. This mountain, according to local beliefs, protects the city of La Paz and the sprawling urban-suburban mass of El Alto where I am. It is quiet. A cool breeze blows and though the sun shines brightly, heavy dark clouds hang in the distance. It is June, fall is moving toward winter. The rainy season has just about ended. People are beginning to complain of the cold. It is 50 degrees Fahrenheit. Their homes have no heat.

I am dressed in layers: long johns, long skirt, hand-knit alpaca sweater, and denim jacket; and slathered with sunscreen. At 14 thousand feet and close to the hole in the ozone layer, the sun is strong and burns my light skin easily. Even dark-skinned Bolivians have taken to carrying parasols and wearing wide brimmed hats to protect

themselves from the rays. Many Bolivians say the sun is stronger now than ever before, perhaps it has something to with climate change.

A scrappy dog ambles by. A teenage girl passes holding the hand of a younger child. Looking behind me I see a neighborhood market laid out in the street a few blocks back. Used clothes, fresh oranges, and papayas lay spread out on large plastic tarps placed over the dusty cobblestones. The seller, a middle aged woman with long black braids, clad in the traditional dress of thick layered skirts, her torso wrapped in colorful shawls, and head topped with a wide brimmed sun hat, sits on a low stool in the center of her wares.

The overall impression is one of quiet neighborhood peace. It feels that this is a time of orderliness, newness, and a middle class economic well-being. Though, that is not always the case. I remember the turbulent uprisings that takes place here five years ago. Then the air is heavy with anxiety, anger, and dread. The indigenous majority is rising up against five hundred years of colonial rule, oppression, and discrimination. It is a not only long shot but also a justice that is a long time coming. The indigenous people are winning and the old system of mestizo rule, corruption, and favoritism is slowly toppling but not without a fight. Roadblocks, marches, police confrontations, military interventions, stand offs, and slaughters abounded. Then there is the 2005 election, and Evo Morales, an indigenous leader, won the presidency.

Ahead of me is a large, rust red, metal, garage door set into a building with pink stucco walls topped with white cornices raising three stories above the street. The number "250" is painted on the door in bright white paint. I ring the tiny white plastic doorbell in the top right corner of the wall. Soon a smaller door within the large garage door opens and a *cholita* pokes her head out. I introduce myself, "*Soy Tamara Stenn, profesora y investigadora de los estados unidos.*" Smiling she opens the door and steps aside to let me in. I have an appointment and they are expecting me. She tells me the meeting is upstairs and to go on up. I can hear the voices of the women talking.

I enter into a cement courtyard dominated by two large, late model Toyota SUVs. Partially finished construction looms ahead of me, open staircases, brick walls, unfilled spaces for windows. To my left is another staircase made of red tinted cement with peach colored walls. I ascend the staircase to the third floor passing by the familiar roughly hewn, varnished mahogany doors with brass handles and bolt locks—a Bolivian standard for all newer homes and buildings—on the second floor. The room I enter at the top of the stairs is also standard for new Bolivian construction. The room is painted peach and has a

creaky, oiled parquet floor, a yellow semitranslucent plastic roof, and is surrounded by thin dusty windows set in rattly metal frames. Looking out, I can see far across the vast neighborhood I have traversed below and to the mountains beyond.

Ten *cholitas*, or women in traditional dress, wrapped in house aprons over long full skirts and topped with handwoven alpaca shawls sit on the low benches that line the room. Their knitting needles fly as they whisper and laugh quietly among themselves, creating gloves, hats, scarves, sweaters. Light blue, dark green, purple, brown, and crème colored yarn balls tucked into plastic woven market bags slowly unwind. Everyone wears a hat. Some sport Western-style denim sun hats, straw hats, or traditional bowlers. All have their glossy black braids extending out from underneath their shawls. A large linoleum-covered table fills one side of the room, where a few more women are gathered, talking and reviewing orders, knit pieces and yarn.

This is a typical meeting of a Bolivian Fair Trade knitting group. This group, Puja Raymundi, named after a Bolivian plant that flowers only once every one hundred years, is made up of 18 recently migrated Aymara women from the altiplano, Bolivian highlands. They meet weekly when there are orders, and biweekly when there are not. They are members of a larger Fair Trade group, Sr. de Mayo. Sr. de Mayo, founded by knitter Antonia Rodriguez in 1989, works to connect producer groups with world markets, further develop producer skills, and aid in their social and personal development. They are the only knitting group in Bolivia that is a direct member of the World Fair Trade Organization (WFTO) (Stenn, 2010a).

A Day in the Bolivian Countryside

To give context to the differences in rural and urban life, I wrote a short description of the Bolivian countryside on an August morning, based on personal experience and observation.

My breath formed puffy clouds of frost in the chill predawn air of the stark Bolivian *altiplano*. The sparse, grey landscape, rocky and coarse, studded with scrubby bushes and dry tufted grasses, slowly turned purple and then golden as the sun rose from behind the looming slope to my back. At 14 thousand feet all is still, quiet. It is too high for chickens though chickadees began to sing and flutter about in the distant fields. Their song carried in the chill morning breeze. The lacey ground frost melted as the sun's penetrating rays bathed the land. Warmed, the spigot freed the water frozen in the outdoor tap. I could now make tea. As the sound of gushing water filled the

air, a donkey brayed and I heard the sheep's hooves scraping against the stony ground, as the corralled beasts rose themselves from their evening slumbers. The rickety door scraped across the stone threshold as it is pushed open. The welded metal latch clanged against the door, a sheet of tin nailed to a wooden frame, like an ever-diminishing bell tolling, "time to get up."

"Imanaya!," hollered the short, thick, dark-skinned woman, clad in an overfull skirt of many faded layers, and a white lace bodice, topped with a ragged acrylic sweater. A scattering of dust is propelled out the door by a broom fashioned out of long grasses lashed together with rubber cut from a tire tube. And so began a day in Bolivia, known as the "Tibet of the Andes" and home to the rare alpaca, and the Quechua and Aymara people who so carefully tended them, worshiped them, and made products from their fine, silky hair.

Message from Three Knitters

The following are messages that knitters crafted themselves for readers. Traveling back and forth from the vast countryside to the bustling city they reference both contexts of their lives. The knitters created their own profiles, choosing the information they wished to disclose (Figure 8.1).

Hello. I am Hirma Zegarra Lawra. I am Bolivian. I was born on August 20, 1972, and have seven children. Adolfo, my oldest is 21; then Gonzalo, 19; Ramiro 16; Oliver, 14; Jorge, 11; and finally my two daughters, Gabby 9, and Liliana, 7. I speak Spanish and Aymara. I have been knitting for nine years. My family and I bought a house in Villa Mercedez and that is how I got to know Antonia (Rodriguez—the knitting association president). We founded my group Mar Para Bolivia (the sea for Bolivia) on March 23rd, 2003, since that is the day (not the year) that Bolivia lost its access to the sea to Chile. I have been living here in El Alto for 15 years though I also live in Pacajes (in the altiplano). In Pacajes we grow potatoes, wheat, and quinoa to help to feed the family. I enjoy knitting. I have come here to knit. I like knitting with the other women in my group. It is nice when we are together—we share conversation and knit together. We are often alone in our houses so it is nice to be invited to be in a group. Though I like it, it takes time to knit, I would like clients to pay a just price for the work we do.

Hello, I'm Lucia Mamani Paucara. I was born on December 11, 1965, and knit with the Ninth of January group. I speak Spanish and Aymara. I live in Bolivia in El Alto's District Four in the zone of Pedro Domingo Murillo. Originally I am from the community of Pana Grande from the town of Santiago de Wata in the Providence

Figure 8.1 Bolivian Fair Trade knitter among her hand harvested wheat in the high tropical valley of Arani, Bolivia (Photo: T. Stenn, 2008).

of Umasuyas (in the altiplano highlands of Bolivia). In Pana Grande we grew potatoes, fava beans, quinoa, oca, papalisa (Bolivian tubers), and barley. When I was 12 years old, we migrated to El Alto, La Paz. I have been knitting since I was 24 years old. But now I am tired and can't knit as well. I have a daughter, Giovana, who is 24 years old. My son died of meningitis caused by a vaccination when he was 6 years old. That caused me tremendous stress. The knitting group really helped me during this time. For six months I hardly even knew who I was. We knit by hand, not by machine. We look at our work as a reflection of ourselves and are proud of the job that we do. We would like more orders and we would like to see photos of you in our products. The knitting work helps us out a lot. The women here are very discriminated against and many are widows. Women need to know how to advance themselves on their own. Our work has value, it is not just theoretical work or a vague idea. It is something concrete and technical. We knit to exact sizes, deadlines, and specific designs and quantities. More people are working, and working (in the knitting) though there is no security, pension, or retirement funds. Women are humans too and need to rest. We want to have the value of the women's work recognized and we need more members as well.

Hello, I am Amelia Quispe Calisay (Figure 8.2). I was born on August 7, 1967, in a small town of Laricaja, located next to the larger

Figure 8.2 Fair Trade woman knitter sharing lunch with her son at home, Arani, Bolivia (Photo: T. Stenn, 2009).

town of Sorata in the Bolivian altiplano. Today I live in Alto Alianza in the city of El Alto, above the even larger city of La Paz. Perhaps you have heard of it. Like many people, I migrated here from the countryside and still return to the countryside for festivals and to farm the family land. I speak Spanish and Aymara. I have three children. Jorge, my oldest, is 21, Mary is 12, and Anna is 2. When I first immigrated here, I was knitting for another group. When the leader of that group died, I joined this group, Puja Raymundi. I started by learning to knit gloves first. I like to knit everything and have been knitting for five years. I would like to knit more but it is hard to see (the small stitches). I would like help with my vision. I enjoy the knitting because it enables me to earn a little each month.

Fair Trade Knitting and Development

The artisan groups studied in this chapter were formed in the 1980s as part of a development trend that focused on women's rural

microenterprise development to grow economies and create new jobs in the countryside. Indigenous women are identified and groomed for leadership roles by foreign workers from USAID, Women in Development, UNICEF, and the Bolivian government. These leaders formed microenterprise production groups in their rural communities. Development projects that supported these newly formed enterprises included leadership, and management workshops; skills training such as the knitting of export-quality garments with local alpaca fiber; paid orders; and quality control, organization, and development training. Project funding is provided for infrastructure development, administration, equipment, materials, inventory, literature, and promotions. Once established, these groups are able to reach out and catch the attention of nonprofit organizations such as Aid to Artisans, Catholic Relief Services, Oxfam International, Caritas, and private entrepreneurs such as myself who provide additional training, product development, marketing, and access to global Fair Trade markets. For example, when I first started working with the Fair Trade knitters I would take their existing designs and modify them to the color, size, and style demands of the US market. Bolivians are practical in their clothing design and knit loose hip-length sweaters that covered the kidneys and kept wearers warm. US consumers who have indoor heat that the Bolivians did not, preferred shorter sweaters that are more fitted in their design. So I worked with the women to adjust their sweaters to appeal more to foreign buyers. The women thought it funny that US women would want their sleeves so long but sweaters so short. However the designs got sold, so the women knit them.

In the 1990s and early 2000s knitters created garments in the countryside knitting at home during the winter when there is little agricultural work, relying on a rotation of volunteer members to bring finished products to the knitting center hours away in El Alto. At the knitting center the volunteer member received credit or payment for orders brought in, and new orders, and yarn that are brought back to the rural community. Training workshops are held in the countryside with urban directors regularly visiting the different rural communities. These rural microenterprise knitting projects succeeded in enabling new economies to be realized in the countryside while preserving rural culture, language, and traditions. As noted previously, recent pressures of climate and social change in Bolivia, caused this model to shift moving the main hub of activity for the microenterprise knitting projects from the rural communities to the urban centers (Stenn, 2012a). Now the rural knitters themselves lived in El Alto full time, returning to their rural communities a few times a year for festivals

and planting and harvesting seasons. Though they preferred to live in the countryside, the need for wages and services such as schools and health centers kept the knitters in the cities (Lazar, 2008).

Fair Trade is a free market enterprise. Knitters can enter by invitation from a friend, neighbor, or family and can leave any time they wish. There is no fee to become affiliated with a Fair Trade knitting organization; there is just a commitment to learn, work together, and produce high quality goods. Attrition averaged about 20 percent, with women leaving as the work dropped off or new opportunities came their way. Similar to the Mothers' Clubs model used by the International Federation of Red Cross and Crescent Societies (IFRC) and other development and aid organizations, Fair Trade handicraft production is regionally focused, provides peer support, takes place in community groups of 20–30 people, and relies on voluntary participation solicited by word of mouth. The IFRC explains, "In Mothers' Clubs, women from different regions meet and work together to improve their own living conditions and to be models for their communities" (IFRC, 2012). The newly invited Fair Trade knitter is taught export-quality knitting skills, given yarn, and an order to work on. It is expected that she participate in about two weekly meetings, and complete her work well and on time. In exchange, she is paid a per-piece amount that is often higher than minimum wage, invited to a snack of tea and bread, permitted to bring her children to weekly meetings, and taught at these meetings about women's rights, health, empowerment, child development, time management, and other topics by voluntary visiting nurses, lawyers, doctors, administrators, social workers, and foreign visitors (Stenn, 2010a). It is common for Mothers' Clubs to be involved with socioeconomic activities such as knitting.

Since earnings are based on production, the faster one knits and more time they have for knitting, the more they earn. Skilled knitters with enough time can earn up to $100 a week, completing an adult sweater every three to four days. Most though, earn about $40 to $60 a week knitting a bit more slowly and having less time for knitting. Orders are sporadic and there is much competition between Bolivia's handful of export-quality knitting groups. Most knitting takes place in the winter months, May through August, when the harvest is complete and spring planting has not yet begun. This also corresponded to seasonal production demands from European and US customers who place orders in April and May for their fall, winter, and holiday knitwear sales with August and September ship dates. When not knitting, artisans farm their family land, visiting on weekends and during school

holidays. They consume most of what they grow and sell surplus production in local markets. Being urban based, they now supplement their knitting income by provided services in the cities such as washing clothes, housecleaning, or gardening for wealthier Bolivians, or preparing and selling food as informal street venders (Stenn, 2010a).

As in both Fair Trade and non–Fair Trade development, not all artisan projects are successful or easy. There must be adequate skills in both production and marketing, and these skills must fit the lifestyles and livelihoods of the artisans (Eversole, 2006). Bolivia's handknitting groups competed in international markets on the basis of their skills first and Fair Trade status second. Though knitters are indigenous women of Quechua or Aymara backgrounds, they created and produced designs that appealed to foreign markets with little hint of ethnic origin or Andean cultural traditions. This gave them access to a broader market, which allowed a substantial number of knitters to be employed, but demanded that knitters be "closely attuned to the changing needs of often far-away markets" (Eversole, 2006, p. 953).

Fair Trade's grassroots presence in artisan projects, like other community-based development models, enables it to influence and support the development and growth of the communities in which it operates. This is significantly different from a foreign private enterprise, such as a factory that often has little involvement in local governance, or social and environmental change. It is also different from micro and MSE development models, which are more narrowly focused on economic activity, financing, and growth. Fair Trade is relationship based. Being deeply connected on a community level enables Fair Trade to be more fluid and provide support in places where it is most needed. For example, in El Alto's knitting meetings women are taught about their new constitutional rights, nutrition, health, women's rights, and given support when managing their new urban environment. These education programs enable women to be more confident and purposeful in their routines, arranging their days to best meet their own and their family's needs. Fair Trade's enabling model positions it well for supporting producers in times of change, providing an important social and economic safety net for El Alto's new migrants and urban dwellers.

Gender and Knitting

The Gender Empowerment Measure (GEM) is a measurement of agency that examines women's advancement in political and economic forums. It measures the extent to which women and men are able to

actively participate in economic and political life and take part in decision-making. The United Nations Development Program (UNDP) found that countries with a higher HDI also have a higher GEM. This suggests that gender equality is linked to greater achievements in human development. Bolivia has a 2010 GEM of 0.50 placing it in the bottom quartile of world rankings.

Life is difficult for Bolivian women. They have child-care and household responsibilities and suffer from wage inequality and a lack of representation in the family and community. Though a recent constitutional reform increased the number of women in government and conditions for Bolivian women are improving, there is still much that needs to be done for women to be fully empowered and enjoy the same opportunities and justice as their male counterparts (United Nations Development Programme [UNDP], 2011).

The average Fair Trade knitting group is 15 to 20 years old, has 50 to 250 members, 99 percent of whom are women, and is headed by a single woman leader who is democratically reelected to her post annually. Most knitting group leaders are in their fifties and know each other through the Bartolina Sisa National Confederation of Bolivian Rural Women (FNMCB-BS) leadership development workshops they attended in the 1980s. Group leaders are highly competitive and rarely work together. However, they maintain loose contacts with each other through a vast professional network of development agents and supporters. Leaders share common life themes of living nontraditional lives by choosing to be single or divorced in order to pursue more independent work and leadership roles; being indigenous, speaking native languages, and coming from humble beginnings; and acting as bridges by communicating with foreign customers via cell phones and the Internet and organizing work within local, indigenous communities (Stenn, 2010a). "With my husband, I could not work," explained Marina Claros, leader of the Alma de los Andes knitting group. "I could not study, I could not leave the house. I waited until my children are older, and then filed for a divorce and left the house" (Stenn, 2010a).

The Bolivian knitting leaders are self-empowered women committed to the betterment of others. Much of their empowerment is learned through workshops and by association with NMCB-BS. To them, Fair Trade is a tool that enables them to empower others by providing income for women, and a reason and place for women to meet so that they can be educated about their rights, health, and children. The leaders work to provide knitters with skills and confidence so they can make a better life for themselves and their families. (See

chapter 11, Indigenous Women and Leadership, for more information on Bolivian knitting leaders).

The Knitters' Voices

The following is the summary of Bolivian women's personal experiences as Fair Trade knitters. Sixty-six women from eight different Fair Trade knitting groups in two different regions of Bolivia participated in the study. PRA, the Talking Stick data gathering method, thick description, and ethnographic study are used to collect the data. The data collecting occurred during the women's regular, mandatory weekly knitting meetings.

The findings of the study are consistent among the different groups and appeared to be indicative of the realities of knitter's experiences with Fair Trade. Though I have been working with the knitting groups for 15 years, I did not individually engage with the knitters themselves and have never asked them about their personal experiences. Rather I worked directly with the knitting leaders and let them communicate with the knitters in their own way. I was interested in capturing the knitter's voice as she described her own situation, as she understood it. I did not create categories or labels, but instead collected words and let the knitters draw similarities in themes and common experiences after the data is collected. Themes emerged into the following categories: Economics, Self, Family, Education, Social, Fair Trade, and Health, with a positive and a negative aspect reported for most. It is common in the Andean tradition, to present a positive and negative together to offer balance to a situation. Similar experiences are reported by all groups though, the Senor de Mayo groups, who made up almost 70 percent of the study, have a 10 percent higher negative economic rating than the study average due to a unique annual payment method used for the knitters that has since changed. Overall, the knitters studied have a 25 percent more positive experience with Fair Trade than negative. Using TAMS analyzer data organizing, coding, and extraction software for qualitative research preserves knitters' exact words from the Talking Stick exercise. Category responses do not add to 100 percent because not all women responded in every category nor are they expected to. The percentages are based on the total number of participants in the Talking Stick exercise. For example, 75 percent of all participants mentioned a positive economic outcome from Fair Trade.

After all participants spoke, I facilitated a PRA-style open group discussion noting themes on a large flip chart paper. The women agreed

to each item before it was written down and began to group ideas into categories that they then labeled. Soon the themes of Economic, Self, Family, and so on emerged. Interestingly, for every group, the same general themes emerged, indicating that the Fair Trade knitting experience is universal among indigenous women of the Bolivian Andes. The discussions incorporated a duality into each topic as well, noting positive and negative aspects of every experience. This is reflective of the Andean way of being where reciprocity, balance, and equality are core values. It would be considered incomplete and deceptive to talk about just one side of something, all parts the positive and the negative needed to be present. These deeper explanations are incorporated into the text below.

Economic Effects

The economic benefits of Fair Trade are the most obvious. Knitters want to improve conditions for their family, especially the children who they see as their country's future. A Las Nieves knitter explained, "We are doing this for our children more than anything. We want our children to have something better." Families are also becoming more reliant on dual incomes. Men cannot be expected to be the sole providers for the family. Another knitter from Las Nieves explained, "It is true that our husbands do not earn much. It is not enough and us women have to help. It [one salary] is not enough for everything."

All knitters enjoy the economic benefits that Fair Trade brings them, averaging about $38 a month each in earnings that represent 20 hours of work. The earnings increase knitters' average monthly income by 22 percent and are managed by the women primarily to purchase better quality food for their children. Twenty-five percent of Bolivian children suffer chronic malnutrition with protein deficiency and anemia being the norm (UNICEF, 2003). Knitters define better quality food as protein such as meat, milk, and eggs that sold for $2.25 a dozen in 2010. After food, earnings went toward buying clothes for the children. Children needed smocks, which cost about $4, and shoes, which cost about $7 in 2010, to attend school. Earnings are also spent on children's school books. An average set of elementary school books cost $12 a semester. Some women also said they used their knitting money to pay for their children's college. Only 20 percent of students completed high school and even fewer went on to college (CEPAL, 2013). Tuition for Bolivia's State Universities is free, but students needed money for books, supplies, housing, and transportation and time to attend classes and study. There was also a college

graduation fee of about $200 in 2010 that varied with one's major. With much of Bolivia's youth engaged in uncertain employment in the informal sector or not employed at all, it is difficult to commit to an academic schedule and costs. Bolivian families have an average of five children with average family earnings being about $175 a month. Women's knitting income helped improve their quality of life a little, but did not go far enough.

There is a deep consensus of the benefit of the flexibility that Fair Trade knitting brought. Knitters could hold other jobs while still knitting, care for their families, and maintain their households. There is high crime and uncertainty in El Alto's new neighborhoods and being home is a security issue as much as it is a personal convenience. Most knitters agreed that knitting at home is one of the best parts of the job. Without being able to knit at home, where they could also care for the children and household, many would not be able to knit at all. Not all knitters have children, though all have reasons to stay near and in their homes.

Though there is 20 percent annual attrition in most knitting groups with one-fifth of the women leaving for other work, many knitters made a career of their knitting, staying with their groups for ten or more years. The main benefit that all knitters spoke of is the opportunity to earn extra income with flexible, home-based work. Some knitters spoke of other work they also did such as gardening, machine knitting, hat making, and dressmaking and noted that while they sometimes are paid more in these jobs, they are hard to find and offered "less opportunities" than the knitting that included training and access to a supportive social community. Some knitters said they are just knitting for the moment and would leave as soon as better work is available. The positive economic elements of Fair Trade, 75 percent, outweighed the negatives, 57 percent.

Effects on Self-Development

Forty-three percent of the conversations focused on the positive effects of Fair Trade on personal development while 12 percent mentioned challenges. Learning to knit high quality export product brought a tremendous amount of pride and satisfaction to the knitters. Many felt they learned to knit better, being able to work with exact measurements and better quality. The spoke of the pride of being associated with a group with a "good reputation" (T. Stenn, personal interview, June 12, 2012). Others enjoyed the products they knit calling them pretty and noting their "beautiful colors" (T. Stenn, personal interview, June

12, 2012). Many knitters reported pride in being a professional, in creating product for export, and being a self-sufficient producer with independent earnings. Knitters reported feeling contentment with the work that is done, being proud of their designs, and enjoyed "saying wow" at what is achieved. Some knitters reported the benefits of learning better time management skills, and how that has helped them in all areas of their lives. "I have to organize my time," explained one participant from the Ninth of January Group, who is learning how to better manage her home life.

Most challenges came from time constraints. Bolivian life is full. Knitters typically wake up at 6:00 a.m. to start breakfast and prepare the family for the day. Mornings are spent cleaning and cooking with afternoons spent taking care of children. Meals take an average of two hours to prepare and include sorting, washing, and finely chopping many ingredients; the use of a single flame and just one or two pots; and using fuel efficiently as things cook more slowly in Bolivia's high altitudes. For example, grains and pasta are toasted before boiling to reduce cook time. Cleaning includes hand washing clothes, heating water for hand washing dishes, and cleaning the home. With families averaging seven members and El Alto's constant dust, cleaning is a never-ending job. School is half a day, Monday through Friday. Lunch spans from noon until 2:00 p.m., and includes a *siesta* (nap). Evenings are spent with the family and husbands if they do arrive, they come home from work around 8:00 p.m. Many husbands travel for work and come home sporadically. Most knitters go to sleep around 10:00 or 11:00 p.m., if they are not on deadline with knitting orders. In addition to the daily routine, there are often family obligations, weddings, baptisms, funerals, farming, visits, festivals, and other events taking place. Family time is significant as families are large and include extended families living nearby. Days are full and there is not always enough time for knitting.

Knitters speak of the sporadic and unpredictable nature of the orders and the lack of job security they feel. It is difficult for a knitter to organize her family to support her knitting timelines and then not have anything more to knit for months. It is also difficult for a knitter to maintain continued family support when payments are received months after the work is completed. Family members express doubts about the ability of the knitter to make money. They question the legitimacy of the work, or the ability of the organization to pay. This is stressful for the knitters who continually defended their work as they left the home for weekly meetings, hoping they have enough money to cover meeting transportation costs. About 10 percent of

the knitters feel their work is not appreciated by others outside of the knitting groups.

Effects on Family

Pride in their work and improved time management skills have a large positive impact on Fair trade knitters and their families. Almost 40 percent of the discussion about family focused on how families benefit from the Fair Trade work. At home the women feel they are better organized, happier, and can run their households more smoothly. One young knitter from the January Ninth group is also a university student and takes her knitting with her to class. Knitting is a family endeavor. "The children are always helping with the knitting," explained a Grupo Rymundi knitter. The help the children provide is caring for their younger siblings, cleaning, and cooking in order to give their mothers more time to knit. Husbands help with production, by making and attaching pom-poms on designs and adding other finishing details. As mentioned previously, knitting at home enables the women the flexibility to attend to family obligations while also earning an income.

Ten percent of participants talked of challenges associated with the work's fluctuating nature and unsupportive families. Knitters create their own ways of working in their homes. Some find it difficult to accommodate the knitting and family demands. They experience conflicts with their husbands and children and are overwhelmed with housework, cooking, cleaning, farming, child-care, and knitting demands. Sometimes they sleep late after knitting all night causing their children to be late for school. Other times they are busy knitting on a deadline and miss a school presentation or pick up their children late up from school. "Our children say, 'what do you think mom? You are never here!,'" explained a knitter from Las Nieves. Husbands are not always supportive of the extra work either. They feel the children and house should come first and do not like their wives taking on extra work, which they see as negatively impacting the family life. However these situations are often corrected as women learned better management and leadership skills, brought home income, and through the support of knitting peers, better negotiated family schedules.

Effects on Education

Previous Fair Trade studies found the greatest benefit of Fair Trade is the training it provided to producers to give them access to export

markets. This is evident in my studies too. Ten percent of participants specifically cite education and training as being a helpful effect of Fair Trade while none criticize the training received. In addition, 20 percent of participants cite positive personal development aspects of Fair Trade, which are rooted in training received. These items are counted as "personal development" rather than "education" since they are presented in the context of personal development (i.e., "I *have* better time management," rather than, "I is *taught* better time management"). Fair Trade education positively affects one's personal development.

Knitters recognize the importance of skills development. Education includes quality control, design details, and sizing. Strong relationships form between knitting leaders and knitters. "I have been here for 18 years," explained a knitter from the January Ninth group, "Also everything I have learned has been from the lady [knitting leader] who is showing us, helping us, attending to us." Knitting leaders feel a commitment to educating members; "At La Imillia we need to be capacitating other women much," explains knitting leader Emilia Laime. Many knitters report pride in being a professional, in creating product for export, and being a self-sufficient producer with independent earnings.

Social Effects

The social effects of Fair Trade are significant for the realization of human rights and justice. Fair Trade, with its weekly meetings and leaders committed to women's empowerment and self-development, provide an important place for this to happen. "Women bring social problems to the group where they are seen, acted on," states knitting leader Rodriguez. "We provide confrontations with husbands, advice on sons." She explains that the Sr. de Mayo group advises knitters of their rights and help women to confront their problems, sometimes accompanied by group members. Almost 10 percent of women report a positive social effect while 2 percent did not.

Knitters enjoy the friendships formed within the knitting groups and extended outside of the traditional family and community kinships. This is particularly important with the recent migration and women living in new neighborhoods without the community support from their home villages. Knitters report feelings of self-worth, self-esteem, pride in being a woman and speak of the joy of being in a group with other women. They note that there is no egoism within the women's groups and that their "work is shared, we help

each other. We show how it is done" (T. Stenn, personal interview, June 14, 2012). Knitters feel that they receive compassion and support from the other women in their groups. They also speak of friendship, being able to forget their troubles when they are with the group. "Knitting together, we forget our sadness and worries," elaborated a Grupo Nieves knitter. "We laugh and eat a lot," explained a woman at the Alma de los Andes meeting, referring to the tea and bread that is served at every meeting. They also enjoyed marching together in local parades that celebrate workers and civic groups.

One knitter from Mercedes B. expressed restrictions she felt from her Fair Trade participation; "I can no longer leave the house," she explained. Her response may have been due to her being too busy knitting to go out and socialize, or from restrictions she felt put upon her by family members who wanted her home with the children and not out at knitting meetings. Some knitters feel they lose social time within their communities. They are so busy that they have no time to visit neighbors. Even worse, when a neighbor visits the knitter, the knitter feels uneasy because the visitor is "taking away" from knitting time. Many knitters speak of the challenges of interruptions from neighbors, children, and family and not having a specific place to work.

Fair Trade as an Effect

This study found a lack of understanding of Fair Trade by participants. Fair Trade producers are required to be transparent in their production and pay, proving that workers are receiving a fair price, training, and opportunity. However, foreign buyers are not required to provide the same transparency nor are they required to follow any Fair Trade principles themselves. This feels like hypocrisy for the producers who are held to such guidelines. The lack of knowledge or connection between the producers and consumers also created feelings of suspicion and exploitation among producers. External expenses including shipping, resale, and retail markups results in knitters' work being sold at prices three to four times higher than what they are paid and make knitters question if they are being paid enough for their work. Reciprocity, an opportunity to form a more meaningful interchange between the US consumer and Fair Trade producer through mutual exchange does not happen. The knitters are paid for their work and the buyer receives a good, but there is no opportunity for more meaning to develop within the transaction. There is a large power gap as knitters are at the mercy of buyers for placing orders and have no

direct access to the market themselves. Twelve percent of participants are distrustful of Fair Trade while one participant supports it, citing the opportunities Fair Trade brings.

Health Effects

Although only 14 percent of the knitters initially spoke of knitting's health effects, most knitters later reported negative health effects in subsequent conversations. The health issues are caused by the cottage industry structure of the knitting that takes place in knitters' homes and is not conducive to focused, detailed work. During the winter when most knitting takes place, El Alto's nighttime temperatures drop below freezing with indoor temperatures around 50 degrees Fahrenheit. Knitting is often done at night by the light of a single bulb, candle, or gas lamp. Knitters complained of sore fingers and shoulders (rheumatism and arthritis) caused by their sitting and knitting for so many hours. They also complained of sore eyes, blurry vision, and seeing "black dots" after knitting for long periods of time, a sign of eye strain. Their lungs and eyes are compromised, many explained, by the dust and fibers that come off of the yarn and are inhaled or floated into their eyes. "It is hard on my eyes sometimes," explained a January Ninth knitter. Besides the physical effects, knitters mention mental stress. The knitting industry is seasonal and fluctuating creating a "feast or famine" type environment. Large orders arrive with firm deadlines that make it difficult for knitters to accommodate with the little time they have for knitting. However, they need the income. Knitting deadlines can result in long hours for the knitters. "In the nights until one or two in the morning I am knitting," explained a knitter from January Ninth.

As with many problematic situations, once the cause of the problem is understood, it is easily fixed. When this study exposed the full extent of knitters' health issues, steps were taken to improve working conditions. Knitters are now taught ergonomics and how to use correct posture and exercises to reduce repetitive motion injuries and eye strain, are given face masks to keep them from inhaling fibers and encouraged to work in well-lit environments. By 2012 knitters had made improvements in their physical work space and methods, finding the changes easy to integrate with good results. Foreign customers are encouraged to spread out their knitting orders through production discounts offered for early orders with good results reducing the stress of short deadlines and helping knitters to better pace their work.

Conclusion

Fair Trade is about more than just money for participants. Women tied to domestic duties and family care found the flexibility of home-based knitting to be one of the greatest advantages that Fair Trade engagement brings them. In addition, better management skills and self-empowerment enable women to better negotiate their home environments and more positively direct their lives. Fair Trade provides an important place for community support in times of great change and is often a springboard for women to enter into the workforce out and secure steady work in their new urban environment. The handicraft industry is neither robust nor steady, but it provides a degree of security and gives women an important first step toward an improved quality of life.

Supplemental Materials

Participatory Rural Appraisal

PRA emerged in the 1970s as USAID, Cornell University, and other development organizations are seeking better ways to understand and assess development needs in rural areas. PRA enables participants to study and guide their own research by collecting and interpreting their own data. It is a method of studying behavior and attitudes. PRA researchers study the impact of change from the perspective of the participant. Researchers learned what is working or not, and then asked why. They examine a group's livelihoods, which includes capabilities, activities, skills, enterprise, and social relationships, as well as the context such as the season, place, current events, and interlinkages of activities. These livelihoods are examined through discussion and observation. Local people are engaged to name, rank, and analyze problems and opportunities as they see them and are able to work out their own preferences for addressing them. Often what develops is not what the researcher may have initially anticipated.

The usefulness of PRA is seen in the following example. As a Fair Trade knitting specialist, I was offered an opportunity to facilitate a project to provide spinning wheels for rural women in Bolivia who are hand spinning their yarn with drop spindles. The spinning wheels process yarn much quicker and with a better consistency than women's drop spindles. Before accepting the project I conducted a needs assessment using PRA by engaging the spinners in a conversation about spinning. I learned that women received spinning wheels years ago from another project and stored them in their roof beams, never

using them. There is no time for women to spin at the spinning wheel. Women preferred drop spindles because they are more portable and could be used throughout the day: while walking to market, watching sheep, and waiting to pick up their children from school. The spinning wheel would have to be used at night where there was not much light or room as all family members were home, often sharing a single dirt floor room. Upon conducting market research, I learned that the cruder, hand-spun drop spindle yarn had a greater market value than yarn spun on the wheel that competed with industrial yarn spinning factories. By engaging in PRA, I saved the donor from wasting thousands of dollars on an unneeded project, creating an unmarketable good. The knitters asked that funds to be diverted to a community education project for the children instead. PRA pioneer Robert Chambers notes that the richness and importance of PRA lies in the development of projects that are different than anticipated. Populations engaged in PRA also develop a greater sense of leadership and control as they direct their discovery and development and create their own vocabulary to describe their realities (Chambers, 1997).

The Taking Stick method ensures that each person speaks, their point of view, is heard, and all fully participate. It is a leadership-building tool that creates value for the experience and ideas of each participant. It draws out the shyer people who may not regularly speak up in meetings and builds a vocabulary and context around which a topic can be further explored and better understood. After engaging with the Talking Stick, discussion develop around the themes that emerge. PRA researchers guide these discussion toward the project at hand, letting participants identify their own needs and solutions. Additional PRA tools included digital or video cameras to take photos of participants, places, and events to use for further discussion, a tape recorder to capture the voices in the Talking Stick exercises, and flip chart paper with markers to capture and more deeply explore the themes that arose from the Talking Stick exercise.

Exercise

Identify a need on your campus, club, or community. A need could be an adjustment in the way in which information or services are accessed. For example, your campus may have the problem of long lines of students waiting to buy coffee before morning classes. Or perhaps there is not a Fair Trade coffee option on your campus and you would like to develop one. Engage in PRA to address the problem:

Step 1—Identify all stakeholders in the problem. A stakeholder is someone who is affected by or has a vested interest in the situation. In the case of long coffee lines, stakeholders could include students/customers, food service providers, and campus facilities.

Step 2—Observe the situation. Measure exactly what is happening. Measurements in the coffee example may be: How many people are served in a 10-minute time frame? How long did it take for the average person to receive their coffee? How are payments being made? Where are the lines forming? Notice where you think there might be changes and whom they may involve, but do not act on these ideas yet. Write about this. Use Rich Description.

Step 3—Research the process. Talk to the leaders and those affected by the situation. In the coffee case, this might be the customers, servers, and management. Find out what their needs are and how they perceive the situation. Do they even see a problem? Research can be done through interviews that capture the participants' perception of the situation, the cause and effect, their role in it, and their level of interest.

Step 4—Gather participatory information and the preliminary findings. Define the problem, causes, and observations. Set up a talking stick meeting with a mixed group of stakeholders including the decision makers. Make sure to schedule enough time to listen to each person and ensure that decision makers do not dominate the group. All have equal opportunities to participate with the talking stick. For a group of 12 participants, about an hour to an hour-and-a-half is needed to give each person a chance to talk and still have time for a discussion afterward. Depending on your participants and the topic, the time needed for the talking stick meeting can vary greatly. If time is a concern, groups can be made smaller with multiple meetings being held.

Step 5—Get feedback. Post your findings and invite participants to comment on them. Are all ideas captured and properly understood? Are solutions acceptable? What changes might you still make?

Step 6—Present the plan or findings.

Reflect

How was the process? What were the outcomes? Were they what you expected? What were the benefits of approaching the situation using PRA? What were the drawbacks? How easy was it for participants to engage in PRA? Yourself? How and where else can you see PRA being used in your community?

9

Meet the Fair Trade Coffee Producers

Introduction

I arrived in Bolivia's coffee region for the first time in 2012 curious about the women working in Fair Trade coffee. Coffee is a much larger market than handicrafts and has been experiencing 20 percent annual growth for several years. Research showed that Fair Trade coffee farming improved the quality of life for families, providing children with better access to education and healthcare, communities with better infrastructure through improved roads and bridges, and farmers with technical training and support (Arnould et al., 2011). However, there had not been any studies done specifically on the women themselves. I was curious about who the Fair Trade coffee women were and how they viewed their Fair Trade experience.

Armed with the same ethnographic research tools used in the Fair Trade knitter study, the talking stick, participatory rural appraisal (PRA), and flip chart paper, I made my way around the steep jungle mountainsides and recently settled colonies of Bolivia's coffee capital Caranavi in search of women coffee farmers. I found them with their husbands strolling in Caranavi's Wednesday market, at home drying coffee beans and cooking lunch, on the sidelines of community soccer tournaments cheering on family members, quietly listening in the back of workshops, and hosting tourists at regional coffee centers.

The women are recent migrants, many coming as children and teenagers from the highland regions of Bolivia in search of a better way of life in the lush Yungas jungles. Most maintain ties to their highland communities and still maintain the style of dress and mannerisms from their regions. Some knew their husbands from their highland communities though most met as recent settlers to the Caranavi region.

Sharing this highland connection makes it easier for me to gain rapport with the women. I knew the regions they were from and we could talk about recent happenings, festivals, and ways of living. It is comfortable for me to squat on the dirt floor of a dark, smoky kitchen and help chop vegetables for the clay cook pot on the wood fire. I had done it many times before in the highlands.

Originally, I wanted to replicate the study I had done with the Fair Trade knitters, meeting with groups of women and sharing in open conversation, but there were no regular meetings for women coffee producers. Most stayed at home caring for the family and crops, isolated by the jungle and venturing out to market on Wednesdays. The region is dominated by FECAFEB, the Bolivian Federation of Export Coffee Growers and main supplier of Bolivian Fair Trade, organic coffee to world markets. FECAFEB, founded in 1991, is a national democratic organization comprising 40 associations and cooperatives representing 21 thousand coffee-growing families and serving 30 international export customers (FECAFEB, 2011). Through the support of foreign development funds, government spending, and Fair Trade earnings, FECAFEB conducts extensive research in the coffee-growing regions including a 2011 health and food security study, as well as many detailed records on production, needs assessments, budgets, and women's leadership development. FECAFEB generously made this research available. However to truly capture the women's experience, the woman herself needs to speak about it. This chapter is made up of women's voices coupled with locally gathered data.

Background

In Bolivia, a woman becomes a Fair Trade coffee farmer by luck and chance. Land reforms in the 1970s and 1990s opened up the Yungas region outside of the principal city of La Paz to agricultural development. Many impoverished farmers from the high, cold altiplano regions moved down to the warm, rich, fertile lands of the Bolivian Yungas hours away, in search of a better way of life. Some colonists spoke Aymara and others Quechua. Spanish is a second language but also serves as a common unifier spoken in the public markets and central town of Caranavi. *Yungas* is an Aymara word meaning, "warm valleys," which accurately describes the lush, mountainside jungles full of avocado, papaya, mango, and citrus trees clinging to the steep northeastern flank of the Cordillera Real. Similar to previous land reform efforts in Bolivia, land recipients of the 1990s were given land but did not have access to credit or technical assistance (de Janvry

& Sadoulet, 2000). Unfamiliar with the new climate zone, highland farmers slashed rudimentary roads into the lush forests and eked out a feeble living, growing coca, a sacred, medicinal plant that is also the raw material for cocaine, low grade coffee, and tropical fruits. There were no schools nor electricity.

The Caranavi colonists were struggling to manage the Yungas' wet, muddy environment, complete lack of infrastructure, and the sheer mass and isolation of the dense jungles. Their new environment is a stark contrast to the vast dry windswept plains of the altiplano they left behind. Some went back to their family farms and failing mines, but many stayed (Figure 9.1). Colonists banded together petitioning the government for roads, schools, health posts, and other basic necessities. Today they speak fondly of the places where they came from and are excited to receive news of their highland towns and families via the regions' two rural radio stations. In all they established 416 colonies in three different agricultural zones that spanned altitudes of 1,100 to 5,500 feet above sea level with temperatures ranging from 60 to 86 degrees Fahrenheit. The region is known as the Municipality of Caranavi and the town of Caranavi is the capital. The municipality is 1,500 square miles in size. About a quarter of the region's 59 thousand inhabitants live in the town while the rest are scattered about the surrounding high mountainsides and lowlands. Caranavi is a beautiful

Figure 9.1 Hand washed clothes drying in the altiplano town of Poopo, Oruro. Migrants from Oruro populate Bolivia's Yungas jungles. (Photo: Stenn, 2008).

yet challenging place to be. Donkeys and cows brought from the highlands did not do well in the jungles and died, the mud roads were impassable many months of the year, and water borne diseases such as bacterial diarrhea, hepatitis A, typhoid, dengue, and *yellow fevers* were prevalent. The colonists prevailed, working together to improve their situations with good results; from 2006 to 2010, the Caranavi region experienced 16 percent growth, with most of this coming from the development of Fair Trade coffee (FECAFEB, 2011).

Historically, Bolivian coffee is among the worst in the world, being penalized by as much as 25 points below the New York commodity market price, due to its poor quality (Calvo, 2005). "We had no idea how to grow good coffee," explained Elias Choquehuanca, coffee farmer and global marketing director of FECAFEB the main supplier of Bolivian Fair Trade coffee to world markets (Friedman-Rudovsky, 2012). Bolivia's lack of quality is due in part to the arduous trip the semidry beans made on the backs of open trucks over high mountains passes to faraway ports. Bolivia is the only coffee-growing region in the world where coffee is transported 12 thousand feet up over a mountain on dusty roads to get to market. The high altitude causes the beans to freeze or break open, ruining their quality. Dirt from the road further affects the flavor of the bean. Before Fair Trade training, poor agricultural techniques and plant propagation led to inconsistent production and low yields. Improved propagation, drying, and transportation processes have since been implemented that improved Bolivia's coffee quality so much that it is now recognized as among the best in the world.

Fair Trade Coffee and Development

While Bolivian handicrafts slowly grew in the 1990s through LPP grassroots, micro and SBE development initiatives, Bolivia's Fair Trade coffee emerged ten years later with millions of dollars of development support and immediate access to multibillion dollar world commodity markets. The difference that the rate and scale of Fair trade development has on women producers is astounding and will be studied further in chapter 11. The roots of Bolivia's Fair Trade coffee development lie in the Plan Colombia. Plan Colombia is a $4 billion, six-year plan that began in 2000 in the Andean countries of Bolivia, Peru, and Colombia. It was initially devised to "reduce drug crop cultivation and improve human rights and the rule of law" (Jackson, Bathrick, Martin, & Rodriguez-Schneider, 2003, p. 3). Coca, a native medicinal plant also used in making cocaine is commercially cultivated

in the Andes mountain regions particularly in the Yungas where it gained popularity as an easily grown, year-round cash crop with four harvest periods. As a US strategy to reduce drug use, efforts at reducing drug supplies were linked to alternative development programs. Besides its well-known military support, Plan Colombia is also a social development program that sought to expand markets for other crops such as coffee and bananas as an incentive for farmers to reduce or end their coca production. Plan Colombia arrived in Bolivia's coffee-growing regions in 2004. Within a year, a $291 million five-year agreement was signed between the US Agency for International Development (USAID) and the Bolivian government to support the Integrated Alternative Development (IAD) program in the Yungas and Chapare regions. The IAD contract is put out to bid and awarded to US-based international development firm Chemonics International who proposed a Market Access and Poverty Alleviation (MAPA) program to improve conditions in these regions through alternative crop development, starting with coffee. Timing was good. A few years after they launched their coffee development program and world coffee prices rose. In addition it was discovered that Bolivia's notoriously poor coffee was actually grown from some of the finest heirloom Arabica coffee plants in the world. After the Chemonics team spent two years training farmers how to better care for and manage their coffee plants and processing, they marketed the Bolivian coffee to outside buyers through a coffee cupping competition, "Cupping the Mountain's Peak." International cuppers, professional coffee tasters who were also coffee buyers, were invited to travel to Bolivia to be judges in the competition. The quality of the Bolivian coffee surprised the judges and opened new export markets for the product.

Farmers who once were paid just $0.10 a pound for their raw coffee beans now sold them at $0.39 a pound in the common market and $1.10 a pound in the export markets with Fair Trade and organic certifications (Stenn, 2012b). As coffee became more profitable to produce than coca it was seen as a viable alternative to coca cultivation. By 2011, FECAFEB was exporting $16 million of mostly organic and Fair Trade coffee (Choquehuanca, 2012). "We have less need to plant coca," explained Choquehuanca (Friedman-Rudovsky, 2012). Farmers could join a Fair Trade coffee organization by cultivating at least one hectare of coffee on land they owned. In 2012, a hectare (2.47 acres) sold for $1,000 ($405 per acre) that is more than what a family earned in six months (Stenn, 2012b). However most Yungas farmers already owned 10 to 15 hectares of land from the 1970s and 1990s land reforms (Figure 9.2). Nevertheless, many

Figure 9.2 Bolivia's mountainous terrain, home to rich array of biodiversity, provides opportunities for agricultural production though challenges for development and transportation (Photo: N. Trent, 1998).

credit cooperatives and lending programs are present in Caranavi to facilitate land purchase and growth of the coffee industry. Coffee took three to five years to grow to maturity for cultivation. To become a Fair Trade farmer today is a bit costly and took time but is possible. USAID's coffee programs that began with FECAFEB's 8,491 members, led to the formation of other farming associations and created inroads for more development projects to come in such as Fair Trade and organic certification, potable water projects, new roads, health centers, and schools (Jackson et al., 2003).

MAPA did not just develop coffee markets for farmers; it improved production, management, and organization on all levels leading to the creation of new programs and markets within Bolivia. Bolivia's coffee is shade grown, intercropped with the region's native mango, papaya, avocado, and citrus trees that gave the coffee its distinct flavor. Soil preservation and organic composting, cultivation, and certification improved the soil quality and production of not just coffee but fruit

trees as well. The fruit trees shading Bolivia's coffee were also organically grown. Coffee's organic certification opened new markets for organic produce as the Bolivian Department of Agriculture developed its own national organic certification standards and markets to support this (Stenn, 2012b). Farmers sold their organic bananas, papayas, mangos, oranges, grapefruits, limes, lemons, achiote (a natural red-orange colorant), and other fruits in local and regional markets, earning extra income for the families. A few also produced honey and sustainably harvested mahogany and cedar from the surrounding forests. As Bolivia's organic program evolves, Caranvi's organic produce gains more value as city markets, such as those in Peru, develop in middle-class neighborhoods, and consumers educated on the benefits of organic consumption create product demand. Caranavi is also working to declare themselves an organic region and develop agricultural tourism programs around this theme as well.

Gender and Coffee

Women coffee growers are called *cafetaleras* in Bolivia. *Cafetaleras* are secondary beneficiaries and participants in coffee development projects, gaining greater household earnings brought through coffee sales but rarely directly realize these sales themselves. An average Fair Trade coffee producer grows 10 acres of coffee, harvesting a 154 pounds of dried, green beans per acre valued wholesale at $1,700 (Stenn, 2012b). Costs associated with the harvest include $243 for additional labor, $350 for Fair Trade commissions and membership fees (up to 25 percent of the total harvest), and $30 for transportation. This leaves the family with $1,077 earned over a three-month period of time representing 56 percent of the family's annual earnings of $1,919 (Stenn, 2012b; FECAFEB, 2011). Additional crops including coca are raised and sold throughout the year. Though coca production is reduced, it is not eliminated. Coca provides important income in the pre- and post-coffee harvest seasons. Though not all coca income is reported, an average family produces three 100-pound harvests of dried coca leaves a year. Valued at $3.19 a pound wholesale, this earns the family close to $1,000 a year (Stenn, 2012b). The official average monthly income of Caranavi's coffee-growing families is $164 that is 28 percent higher than Bolivia's minimum wage of $118 a month and 18 percent lower than Bolivia's average per capita earning of $200 a month (FECAFEB, 2011; World Factbook, 2010). The income created by Fair Trade coffee helps to build an economic cushion and slowly improve families' well-being. Used to uncertainty

and change, Bolivian farmers are cautious though hopeful with their recent Fair Trade earnings. Many men take out short-term loans of $1,500 or less at 15 percent annual interest rate from the new lending cooperatives opening in the region. They use the loans to expand their coffee cultivation, carefully clearing land and planting trees that mature and bear fruit in three to five years (Stenn, 2012b).

MAPA's male project engineers work with the male landowners to organize coffee production and development while women stayed home caring for the children and tending to household chores. Women participated in agricultural labor and with the men, received technical training on how to care for and manage their coffee plants and how to harvest and process the beans; however they were not specifically recognized in any part of the MAPA project nor given their own memberships to regional coffee associations. Membership is assumed through the husband who is also the principal land owner. Women were granted greater land rights in 2009 though MAPA took place from 2000–2006. Because of this, women were not used to, nor expected to be organizing, assuming leadership roles or developing and speaking their own opinions. In 2006 a Women's Committee was formed by FECAFEB to strengthen women's participation in coffee production. The women's committee held elections, annual regional meetings, and built a network of 36 local women's organizations though with scant results (FECAFEB, 2011). Significant cultural and personal barriers prevented women from embracing their new leadership and though projects and needs were identified by the women's committee, it was difficult for the women to continue to organize and persist in getting FECAFEB's support in recognizing and developing them.

Institutional Fair Trade and the new Bolivian constitution recently changed this. Global Fair Trade guidelines stated that producer associations must commit to "Non Discrimination, Gender Equity and Freedom of Association" (WFTO, 2011). The World Fair Trade Organization (WFTO) explained, "The [Fair Trade] organization provides opportunities for women and men to develop their skills and actively promotes applications from women for job vacancies and for leadership positions in the organization" (WFTO, 2011). Prior to 2011, Bolivian women were not members of Fair Trade coffee organizations in their own right. Membership was still assumed through their husbands, who were required to attend regular meetings and play active roles in decision making, production and organizational development. With the support of the 2009 Bolivian Constitution that for the first time, named women as having civil, political, and

property rights and protections under the law, FECAFEB's Women's Committee drew up a resolution in 2010 that demanded women's full participation in all parts of FECAFEB, including individual memberships, equal representation on the board, participation in the general assembly, transparency, access to financial data, and the commitment of the new FECAFEB directorate to support the Women's Committee (Copa & Petermann, 2010).

Nevertheless, when I arrived at the FECAFEB offices in 2012 with a scheduled appointment to meet with the directorate and talk specifically about women and coffee, I was greeted by five men who assured me that women and men worked together in coffee production and together benefitted from the activity. They failed to inform me that there was a Women's Committee housed in the office across the hall, or even introduce me to Susana Lima, the Women's Committee President who had momentarily entered the conference room where I was conversing with the men. She thought I was a coffee buyer and I thought she was a secretary. We had no conversation. It was fortunate that I noticed the "Women's Committee" sign on the office door upon my leaving the directorate meeting and with permission entered the office, introducing myself to the women and learning about another side of Fair Trade coffee production, the women's.

Through my subsequent field work, I observed that Fair Trade coffee production is supported by extensive education and training from many different projects and international organizations. Coed technical training workshops are dominated by men who have the time to leave their farms and meet in town hours away. Some women attended alongside the men, but are reluctant to speak about their coffee-growing experiences. They describe themselves as timid and prefer to give space for the men to speak. They feel the men are more organized and can talk about the topic better than they can (Stenn, 2012b). The women are young, single, and in their teens, reflecting the age of the local population that has a median age of 15 to 19 (Velasquez, Vargas, Terrazas, 2011). Older women aged 25 to 45 are home, taking care of the children and households while their husbands attend meetings. Later, I am told, the husbands will share the training materials with their wives and teach them what was presented at the workshop. Women and men over the age of 50 rarely participate in Fair Trade, preferring to rely on familiar farming methods of the past. However, as noted, the people of Caranavi are young. Eighty-three percent of its population is under the age of 60 with almost 40 percent of its total population under the age of 19 (FECAFEB, 2011). There is much pride from the men and the women in how they work together

taking on different roles and together forming a whole, the men being the organizers and the women the homemakers, together making a complete unit. This is a very different perspective from the Fair Trade women in handicrafts who work independently, often heading their households alone as their husbands travel in search of work.

Profile of a Coffee Farmer

The following is a profile of coffee farmer, Maria Elena Hilari, developed through an informal interview at her home in Canton Chijchipan one late morning after she harvested coffee and was preparing to start lunch. Her son accompanied us, playing with his truck in the dirt around our feet and bringing flowers and oranges as gifts. Her other children were still at school. We sat on a log in the shade, overlooking the small cleared square between her long two-room thatched house and the dark kitchen built of loosely fitted wooden boards that allowed smoke out and air in. A drying table covered with de-pulped, fermented coffee cherries was laden with beans and off to one side. A few chickens darted about the yard. In the distance large black birds made a ruckus. Maria Elena said that meant it was dry, "The birds cry when it is dry," she explained. I feel the moist humidity around me and imagine what a wet jungle must be like.

Originally from the highland shores of Copacabana, 28-year-old Maria Elena has lived in the Yungas jungles since the 1980s when coffee sold at just $0.02 a pound. She is married to Association Pro Agro director Evaristo and is often home alone with her three children while her husband attends Fair Trade coffee meetings and events in the city of La Paz and in the town of Caranavi. During the harvest, she picks coffee alongside three to five workers whom she pays $2.14 per lata, or 30 pounds, of cherries picked. On a good day, she can get six to eight latas (180 to 240 pounds) of coffee cherries from her almost 10 acres of plants. Rising at 5 a.m. to prepare breakfast, she picks coffee alone from 6 a.m. to 10 a.m. after which she returns home so that her two older children, aged eight and twelve, can go to school, leaving her to care for her two-year-old son. While Maria Elena is picking coffee, the two older children get themselves ready for school, watch their baby brother, and eat the breakfast their mother left for them. From 10 a.m. until noon, Maria Elena cooks lunch and dinner for the family, cleans the house, washes dishes and clothes, and gathers firewood for cooking. In the dry winter months wood can be used for cooking fires. In the wet summers though she switches to more expensive natural gas and cooks over a stove, because the wood gets so wet that

it cannot burn. The children return from school at 2 p.m. and go with their mother to pick coffee until 6 in the evening. From 6 p.m. until 8 p.m., Maria Elena de-pulps and ferments the coffee, preparing the beans for the next day's drying. Often she has 180 to 240 pounds of coffee cherries to process. The right way to dry coffee, women learned, is on a net-covered drying table, 60 cm above the ground. This allows for better air circulation and prevents dust and animals, such as chickens, from getting into the beans. Today the beans have been de-pulped, fermented, selected, and were undergoing their first drying. They will undergo a second drying and de-husking in El Alto where the cooperative owns a coffee finishing plant, before exported as green, un-roasted, Fair Trade, organic coffee beans. I noticed that organizations such as Equal Exchange and Green Mountains Coffee buy this coffee. Maria Elena explains how men and women together harvest the coffee though the women often take care of the de-pulping and drying. Maria Elena has little interaction with her neighbors who are busy working in their own vast coffee plantings. Sometimes a neighbor will stop by to get water from her spigot. She had the spigot installed as part of a coca eradication program; in exchange for not cultivating coca, she received the water spigot. Every two weeks she traveled to the town of Caranavi to sell fruit and potatoes she also cultivates and make family purchases.

The Cafeteleras' Voices

A larger study of cafeteleras took place at educational workshops and organizational meetings. The same methods used for collecting knitting stories were used here, the Talking Stick, ethnographic study, observation, and PRA. Three of the 30 member groups of FECAFEB are included in this study: Cafe Tropic a new member from Chapare, and two of the largest groups from Caranavi, Union Pro-Agro and Antofagasta with 193 and 65 members respectively. All produce certified Fair Trade and organic coffee for export. In addition, Cafe Pachamama, a direct trade women's coffee project organized through Caritas a Spanish NGO affiliated with the Catholic Church follows Fair Trade guidelines but is not yet certified. It was studied in neighboring Coroico. This diverse sampling of organizations enabled regional and gender variations to develop as well as a broader view of the Fair Trade coffee industry through different stages of growth and maturity. In all 33 producers participated in this study with 79 percent being women. Women producers spoke freely about their experiences working in Fair Trade in small groups and individually and were met at

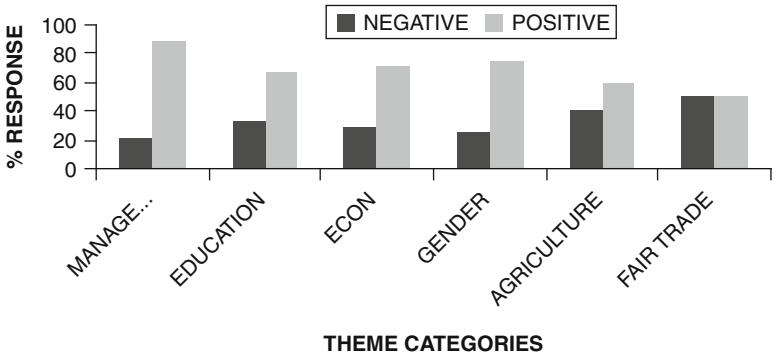

Figure 9.3 Coded TAMS Analysis of Talking Stick data (T. Stenn, 2012a, 2012b).

their homes, public plazas, and at technical training workshops. Some men insisted in participating in the women's conversations, explaining that they worked together with the women or were representing a woman who could not attend the meeting. Women agreed to let the men participate but it was made clear that the focus of the meeting was on the woman's experience and that her voice was valid, important, and needed to be fully heard. Members of Café Pachamama and Antofagasta participated in the talking stick exercise and subsequent discussion (see chapter 8 for further explanation of the Talking Stick). Figure 9.3 is a graph of the themes that emerged from these conversations and how often they were mentioned. Additional information was provided from the 2010 Fifth Annual Meeting of Women Coffee Farmers in Caranavi. Ninety participants including FECAFEB members, associations, cooperatives, and affiliates contributed to two days of events, discussions, presentations, information, diagnosis, questions, and comments.

Management Effects

Eighty-eight percent of participants spoke of the positive effects of Fair Trade's ways of organizing coffee production and processing. For example, women learn to de-pulp and ferment the beans at home using exact methods and better equipment. Beans are sun dried on raised drying tables rather than the ground, making them cleaner and faster drying. "This is why I like it," stated a cafetelara from Coroico, "It is a cleaner coffee" (Stenn, 2012b). Participants also like the more organized market access. They feel prices are better and the ways in which their product is collected, tracked, bought to secondary drying

stations, and exported eliminated uncertainties. Some recognize that though yields are less, the quality is better. They feel their coffee has a future. Though most women like coffees' management methods, some do not like its management structure.

On the downside, almost one-fifth of participants stated that they would like more participation in organizational management and decision making but feel discouraged and discriminated against by the men. The women note that meetings are held in evenings when they are home with the children, rather than in the mornings when the children are at school and it is convenient for the women to attend. Women also recognize that they are often not told of meetings nor given per diem to cover the travel costs to attend them (Copa & Petermann, 2010). Many women I met feel that they do not have the time or support for participation. "We are not known," explained one participant from Union Pro Agro. Other women admit that they are fearful and "did not know the theme" of what is being discussed in coffee meetings. They cited having no experience speaking their ideas, not being "polished," and not having the man's permission to participate. They feel unqualified and timid. As much as they want a place for their voice in management, the women explained that they are not "accustomed to it." "Our husbands can go [instead of us]," stated a young participant from Antofagasta.

Effects on Education

Education is viewed as the opportunity that export coffee production brings to the regions' children and producers. Almost 70 percent of participants spoke of the positive aspects of coffee exportation in relation to local education. Cafetaleras noted that coffee earnings enable children to study, have good food, and go to the doctor that supported the children's school attendance and success. Women reported using earnings to pay for notebooks and school uniforms for their children. "When the child is healthy and fed, he learns," explained a Union Pro Agro participant. Another Union Pro Agro participant explained that children developed "in the image of their parents." Many producers envision themselves or their children pursuing a secondary education in the city of La Paz and returning to Caranavi to work in agriculture or development. They feel the export coffee creates opportunities and success for educated members. Meeting participants sum up the role of coffee export income in providing for children's futures, "The orange is for eating, the coffee is to study with" (Copa & Petermann, 2010, p. 9).

However, there are negative aspects associated with education as well. Producers in Coroico and Chapare feel uncertain about continued technical assistance with their production that is newer and less developed than the Caranavi production. The Caranavi women feel they have less time to participate in technical training courses because of child care and home making responsibilities. In addition, women from all regions want to diversify and learn other skills besides coffee production but training in other areas such as handicraft production, leadership, management, coffee roasting, and retail sales is not available. Women from Caranavi want community funds from their export coffee sales to go toward the development of these programs. They note that most of the funds for women's current development programs are paid for by outside sources such as the German Service of Social-Technical Cooperation (DED) (Copa & Petermann, 2010).

Economic Effects

Fair Trade coffee earnings though significant are not opulent. Farmers still face economic challenges, poverty, and debt. However, 70 percent of participants spoke positively of the economic benefits Fair Trade production brought them. "I can maintain my family," explained a Coroico participant referencing the two to three months of financial relief that Fair Trade sales brings families. Union Pro Agro participants remember funds that Fair Trade certifier FLO provided to help purchase diesel fuel for construction vehicles working with road construction, the annual Community Party, milk and bread for school breakfasts, and school teaching materials. All participants speak of the improved market access and significantly higher prices that Fair Trade brings their coffee production.

Thirty percent of respondents have reservations about the economic effects of Fair Trade coffee. There is great market uncertainty as coffee growers are required by wholesalers to lock into contract prices. For example in July 2010, growers signed contracts setting coffee prices at $180 to $200 per quintal (220 pounds) based on New York Coffee Exchange pricing though by the end of the harvest in September, prices had climbed to $240 (Copa & Petermann, 2010). Women voice concern about the effects of climate change and environmental stressors on the quality and quantity of coffee produced as 30 percent of their crop that year was lost to a late rainstorm. Men are worried about reports that countries such as Brazil and Columbia are warehousing vast coffee stores to sell at opportune times when market prices are high, which could cause world coffee prices to drop. Bolivia

has no such reserves and the men felt threatened by this new competition (Stenn 2012b).

Effects on Gender

Three-quarters of the women report gender benefits from their Fair Trade coffee production. They feel included and recognized as an important part of an economic process. Institutional Fair Trade guidelines stress the importance of equal gender opportunity and require women's participation for Fair Trade certification. Sometimes men and women take on different roles, other times they work together. Men tend to go to meetings and technical trainings, plan future production, manage loans, and work with soils, pest control, and plant maintenance. Women tend to work more in day-to-day activities such as coffee bean processing, plant nurseries, and plant care. "Coffee is primarily a women's project more than anything," explained a Coroico cafetelara in reference to the daily coffee activities she engaged in (Stenn, 2012b). Both men and women share in the harvesting. The result is a family operation where all work together for mutual benefit.

However, for several women this is not enough. Twenty-five percent of participants feel women lack sufficient representation and influence in coffee activities. They feel that women are not being given an "equal opportunity," as mandated by institutional Fair Trade guidelines. Women want greater decision-making and leadership roles within the coffee directorate. They feel FECAFEB's male leadership is corrupt, discriminated against women by not making meetings accessible or inviting for women, mismanaged funds, not providing programs for women, or giving them a place for participation, and that the men function "according to their own interests" (Copa & Petermann, 2010, p. 5). There is a lack of trust and transparency in FECAFEB's male-dominated governing board and a questioning of the whereabouts of $40,000 in funds for workshops and economic development and $81,000 in auction earnings from the 2009 Cup of Excellence event (Copa & Petermann, 2010). Women want parity and alternation. In 2010, there was a call by women cafeteleras for a change of directors in FECAFEB for ones that were "more open to working with women" (Copa & Petermann, 2010, p. 6). "We are very macho," explained a male Antofagasta participant, "that is our downfall."

Both men and women say they welcome and support the idea of woman's leadership and equal representation. Though the concept is new and not yet fully realized, women are participating more. Men spoke of the relief they felt from not having to make decisions alone

anymore and being able to discuss ideas more equally with their wives. Women report enjoying the opportunity to think more creatively about coffee production. They are interested in opening Fair Trade coffee shops in city centers, roasting, and selling premium packaged coffees to high-end restaurants, supermarkets, export markets, and in regional consumer trade shows. They also want to diversify with other goods being created and sold along with the coffee that they pointed out, is a seasonal product (Stenn, 2012b).

Effects on Agriculture

Coffee growers enjoy the organic growing methods that many are learning along with their Fair Trade coffee production. "We have more care for the natural world," explained an Antofagasta participant. Caranavi participants report a 5 percent increase in production and are pleased at their experimental coffee propagation and improvements that are supported by local coffee associations and the Bolivian government. Participants voice interest in "more development of organic products" (Stenn, 2012b). Efforts were underway to create a Bolivian organic certification program for the entire Caranavi region so all citrus, fruit, and coca coming from the region would be certified organic enabling producers to get higher prices for their premium quality goods while protecting and caring for the environment, consumer health, and maintaining their current organic certifications that are under the threat of pesticide overspray from neighboring nonorganic crops (Stenn, 2012b).

A downside of agriculture that at 40 percent is almost as strong as its benefits (60 percent) are the effects of climate change. The Coroico producers feel climate change more being higher up in altitude though all producers experience a shorter harvest season, colder temperatures, fruit loss due to late and heavy rains, inconsistent flowering and irregular bean production, and more plant diseases. "The climate changes day by day," explained one veteran producer in Coroico, "it is hard to anticipate what will happen next and prepare for it" (Stenn, 2012b). Coroico, where many mountainsides were stripped of their lush jungles and planted with massive coca plantations when Bolivia relaxed restrictions on coca cultivation in 2007, was experiencing a "plague of birds" (Stenn, 2012b). No longer having their natural jungle habitat and food supplies, parrots and tropical turkeys are eating Coroico's coffee cherries. The extensive coca cultivation also causes landslides, brings new insect pests, and affects surrounding soils with its high alkalinity. "Coca is not convenient to grow," explained on producer,

"it kills the earth" (Stenn, 2012b). Many farmers are replacing their coca with coffee and looking at ways to restore their forests. Coroico agronomers predict a 50 percent coffee crop loss due to birds while, as noted previously, Caranavi agronomers estimate a 30 percent coffee crop loss due to late heavy rains (Stenn, 2012b).

Fair Trade as an Effect

Participants are well versed in institutional Fair Trade, its meaning, market, and methodology. There is even 50:50 support and mistrust of the concept. On the positive side, participants recognize that Fair Trade leads to significant improvements in management, cultivation, and processing techniques that result in higher quality coffee and better prices. Many participants mention that though yields are lower than before Fair Trade and organic production, the quality and prices are much better. The downside of Fair Trade is similar to that experienced by women knitters. There is mistrust in the buying process, buyers' use of market speculation, the power that buyers have to demand contracts and fixed prices, and a perceived unfairness in the high prices that are paid by consumers for roasted and packaged Fair Trade coffee in foreign markets that do not seem to make it back to the producers. Producers feel there is unfairness in the buying and retailing process of Fair Trade and that fairness should extend through the entire supply chain and not just stop at the producer. In response, many Latin American Fair Trade cafetaleras banded together and formed the Coordinating Body of Latin American and Caribbean (CLAC) and developed their own label (Figure 9.4) that

Figure 9.4 Fair Trade coffee growers' own CLAC label used for building direct trade relationships following stricter guidelines that dictate a more direct and equal relationship between producers and consumers.

promotes direct trade relationships with foreign retailers supporting the "self managed development of local economies" (FUNDEPPO, 2012).

Conclusion

Fair Trade coffee's development is well orchestrated and supported using established models of organization, production, and processing. Coffee is a globally traded commodity with established markets, prices, and distribution channels. Fair Trade coffee also has a clear certification process, with third party certifiers playing an important role in the maintenance and development of the industry through universal guidelines and reporting methods. Coffee markets are standardized and consolidated, as are pricing and quality control standards. The coffee is sold collectively under the umbrella organization of FECAFEB, which represents scores of Fair Trade coffee associations and cooperatives and thousands of farmers. Bolivia's newly colonized regions found an eager audience of young farmers who quickly embraced Fair Trade coffee production. Fair Trade's requirement of equal gender opportunity as well as a growing national awareness of women's leadership accelerates the need for women to be more active decision makers and participants in Fair Trade coffee management. Climate change and women's leadership challenged Bolivia's Fair Trade coffee industry creating new challenges and opportunities for one of Bolivia's most successful development stories.

Supplemental Materials

Organizational Structures: Cottage Industry and Cooperatives

Producers' organizations and ways of being can seem very foreign and unrelated to the US or European way of doing things, yet many of the same structures Fair Trade producers engaged in exist in US and European communities as well. Comparative broadening, the development of positive and negative aspects of a situation, enables one to better understand different organizational structures such as cottage industry and cooperatives and see their advantages and drawbacks. Using comparative broadening one can examine how the way an organization is structured and experienced affects its ability to deliver justice.

Activity I: Exploring the Cottage Industry

Fair Trade knitters participate in a cottage industry. A cottage industry is small scale production done at home by family members using their own equipment. Cottage industries rely on the skills of the workers. The cottage industry can be the work of an individual, for example, a farmer creating their own jellies to sell at the local farmer's market. Or the cottage industry can be a group of people engaged in a loosely organized complex of activity such as Fair Trade knitting. Bolivia's knitters engage in weekly meetings and instruction and take work home with them to complete in their own time. Cottage industry was common during preindustrial times, yet cottage industries still exist today. Many are considered part of the "informal economy," meaning that they are part of a system of trade or economic exchange used outside of state controlled transactions, and they might not post earnings or pay taxes on all activities.

You probably know someone who has a side business or hobby where they produce something to sell without registering their company or paying taxes on their sales. Think of the corner lemonade stand you ran as a child, or the neighbor who sold you a dog house they made, or the ceramic mug you bought at a local craft show. These could all be informal sector cottage industries. Other cottage industries such as the Fair Trade knitters featured in this study are legally registered export organizations and are counted as part of the formal economy.

Question: Where do cottage industries exist in your own country? What type of work do they perform? Are they a single entity or part of a larger organization? What do you think are the challenges and benefits that the people in this cottage industry face?

Activity: Individually or as a classroom team, contact a local person engaged in a cottage industry in your area. Before the interview, research the cooperative to get a general background on its history, size, and function. An open interview, similar to the talking stick, enables interviewees to speak freely on a topic without interruption. Perform your own ethnographic study in the form of an *open interview* with *thick description*. Thick description, developed by anthropologist Clifford Geertz enables the ethnographer to record minute details of the surroundings and exchange in order to create a context for the data (Geertz, 1973).

Visit the cottage industry participant and ask them to speak freely about their decision to engage in the cottage industry, and how the experience has been. Do they even recognize that they are in a cottage

industry? What challenges and benefits do they face? Are they registered or not? Why?

Analysis: Look at your understanding and expectations of the industry. What did you think is challenging and beneficial? Now look at what your interviewee reported. Is it what you had expected? Different? Where were the differences? How does this now shape your understanding of cottage industry? Do you think that more interviews would bring out different information? What might be the emerging trends in today's cottage industries? Are there new sectors engaging in this form of production and trade? What do you see the future of cottage industries being?

Visit England's Cottage Industries Association: http://www.cottageindustriesassociation.co.uk/

Activity: Exploring Cooperatives

Fair Trade coffee growers are organized into farmer cooperatives. A farmer cooperative is an organization that is managed jointly by those who use its services. Services for Fair Trade coffee include market access, shared technical assistance, and shared facilities such as a large drying and de-husking plant located in El Alto, La Paz. To be a part of Bolivia's coffee cooperative, one has to pay a membership fee to join, plus pay annual dues based on amounts of coffee produced. Average coffee cooperative dues in Bolivia are about 25 percent of the export sale price of the green coffee beans. 2012 is the United Nations Year of the Cooperative. According to the United Nations, the first record of a cooperative came from Scotland in 1761 when a group of weavers shared a sack of oatmeal they had bulk purchased. However Bolivians worked in informal cooperatives since pre-Inca times five thousand years ago. It is common, and still is today, for a Bolivian community to form an informal buying cooperative when a common need is recognized.

In 1996, I witnessed the cooperative purchase of bed frames in Bolivia. Bed frames are hard to find in the rural countryside. There is not a steady market for them and they are difficult to transport. But there was a need. Buying a single bed frame in the city is difficult and expensive, with transportation costs for the buyer and the frame, and a lack of bulk buying discounts. When a rural community realizes that several members need bed frames, a single member is chosen to be the cooperative buyer. She collects funding from each person who wants a bed frame and travels to the city. Here she bargains with sellers to get a wholesale discount for her purchases. She also negotiates

a single transportation fee for the entire cargo and returns with the bed frames, eliminating the extra transportation costs for herself. In exchange for her time and work, the cooperative shares the cost of the buyer's bed frame. In all, a 20 percent savings and a collective need being met, was enjoyed by all. This informal cooperative buying arrangement, known as consumer cooperatives, have long been a part of Bolivia's indigenous history.

It was natural that farmers growing coffee in Bolivia's remote regions would form their own cooperatives to move their product to market as well. They are drawing from an ancient system of working together to achieve better results for all. Even before the Fair Trade developers arrived, there was an established cooperative system of coffee farmers. This is what made it so easy for the Fair Trade model, which also is famer cooperative based, to be implemented in the region.

Today, cooperatives exist in many forms. There are buying or consumer cooperatives, worker cooperatives, transportation cooperatives, health care cooperatives, and credit cooperatives. All operate around the same principles of membership and benefits. For a fee one can join a cooperative and enjoy a benefit that alone, they would not be able to achieve. There are also social and benefits that extend beyond that of monetary gain as new friendships form and one's community expands.

Question: Where do you see cooperatives in your own community? How do they work? Who do they serve? What do you think the challenges and benefits are of co-op membership?

Activity: Individually or as a classroom team, contact a local cooperative and arrange an interview with five of its members. Or visit the local cooperative and engage in a convenience sample study and choose five people to ask questions to. Before the interview, research the cooperative to get a general background on its history, size, and function. Use an *ethnographic questionnaire*, a set of open-ended questions designed to provide an in-depth view of a subject. To build your questionnaire, choose five open-ended questions that would help you to understand the subject's choice to join and experience in a cooperative. Suggested questions could be: Why did you join this cooperative? How does it work? What are the benefits? Drawbacks? How did you find out about the cooperative? Are there other cooperatives you are a member of? Ask each member the same five questions.

For more information on cooperatives, visit the International Cooperative Alliance (ICA)'s website for the 2012 United Nations' International Year of Cooperatives (IYC): http://2012.coop/en The

United Nation's own IYC page is: http://social.un.org/coopsyear/index.html.

Analysis: Look through your data. What conclusions can you make? Are all members experiencing their cooperative equally? Is the cooperative achieving what it is set up to achieve? What benefits does the cooperative provide? Drawbacks? What are other situations that you can think of where a cooperative would be useful? Why?

Comparative Broadening

Compare cooperative (co-op) findings with cottage industry findings. How are they similar or different? Both cottage industry and co-ops are used to help Fair Trade achieve goals of more just production and trade relations for all. How are cottage industries achieving this? How are co-ops achieving this? Is there anything that one model can learn from the other in order to affect even greater justice?

10

Justice—Advantages and Disadvantages

Introduction

The primary focus of Fair Trade institutions is to improve the lives of the most disadvantaged people in developing countries through market access (Nicholls & Opal, 2005). Fair Trade studies largely find that Fair Trade increases income and economic stability for producers; creates access to credit, organic certification, and export markets; and brings benefits from diversification, structural improvements, and market control (Nelson & Pound, 2009). Lives are improved through economic growth. However, economic growth is just one aspect of one's well-being. An individual's advantage, or happiness, is also important. Economic gains do not necessarily create happiness. Amartya Sen writes that an individual's advantage is judged by the person's "capability to do things he or she has reason to value" (2009, p. 231). Happiness is understood as a feeling of self-satisfaction both personally and within one's community, which includes one's ability to achieve different combinations of functionings that can be compared and judged against each other in terms of what one had "reason to value" (Sen, 2009, pp. 175–193). In order for Fair Trade institutions to improve lives, participants' functionings as well as their economic advantage need to be considered. Women participating in Fair Trade identify six functions that are important to them and affect their well-being. These are: education, family/management, social, self/gender economic, fair trade, and health/environment. This chapter examines justice in a broad sense, not to prove or disprove the justice of Fair Trade, but rather to clarify how to proceed in addressing questions of enhancing justice and removing injustice. This chapter will not conclude with a formula for making Fair Trade more fair, or

even a critique of Fair Trade's effectiveness in advancing justice, rather it opens a larger way in which to understand justice. Fair Trade is a starting point in imagining a greater justice for all. The focus of this chapter is on actual women's lives, grounded theory, and the aspiration toward justice in our shared humanity.

Two pillars

The comparison of experiences of women from the same socioeconomic class, region, culture, and country working under similar institutional Fair Trade guidelines shows how similar experiences can still produce different outcomes in one's life. Fair Trade aims to create greater justice but participants experience this justice in different ways. Fair Trade is supported by four pillars, those of institutions, producers, governments, and consumers. Imagining this as a table with four very wide legs representing each pillar and the tabletop being the entire concept of Fair Trade. The leg for the producers is flanked by institutions and government. The consumers, whom producers do not have direct contact with, is the far leg across the way, furthest removed. The thickness of the governments' and institutions' "legs" depend on the amount of influence they have in producers' lives. In this case, both the governments and institutions are very involved with Bolivia's Fair Trade women, making these legs quite thick.

Bolivia recently underwent a radical political transformation as formally marginalized indigenous people gained power and rewrote the country's constitution, declaring the country a Plurinational State and creating new laws that advanced gender equity. There are over 46 articles in the 2009 constitution specifically granting women political, judicial, and electoral rights, requiring their representation in elected positions, protecting them from violence, granting them property rights, healthcare, education, social programs, and economic development opportunities (Coordinadora de la Mujer, 2009). Women's rights are heavily promoted by government and nonprofit organizations through meetings, conferences, trainings, workshops, and the media. This is a big change for many women who are functionally illiterate and not used to assuming leadership roles. Men also have to adjust, remembering to step down and let the women speak, not laugh at them and listen with respect (Stenn, 2012b). As in any time of change, some people adapt to the new laws of equality more quickly than others, producing different outcomes in women's leadership.

Fair Trade institutions have the same general objective of improving the lives of disadvantaged people through market access but how

this is achieved differs from institution to institution. Fair Trade institutions such as the Fair Trade Federation and the WFTO provide broad institutional guidelines that create a supportive environment for producers, carefully guiding their development and working with them to realize projects that make sense. Members pledge to adhere to these guidelines but there is no certification or absolute set of rules to be followed, rather it is the intent that matters. As a result, there is much diversity and creativity in realizing the guidelines. Members often provided prepayments or interest-free loans to producers to cover production costs and engaged in long-term, collaborative, relationships that included shared risk. As an example of shared risk, if a new product failed, a Fair Trader would absorb the costs and continue to work with the producer to improve the product so it do sell instead of simply moving on to a different product or supplier. Social entrepreneurism is strong in these relationships too and there are often multiple benefactors from a single Fair Trade project. For example, many artisan groups work with recycled materials transforming plastic bags, discarded tires, and old electrical cables into fashion accessories and reinvesting company earnings into rehabilitation and training centers unrelated to the Fair Trade activity being performed. These types of Fair Trade institutions take a *nyaya* approach to justice being concerned with long-term outcomes of the relationship. The Fair Trade knitters studied in chapter 5 exist within a *nyaya* form of justice, being left to their own devices to develop systems that made sense to them and helped them to achieve goals of economic development and personal empowerment. Increased enlightenment rather than increased sales is the knitting leaders' goal though sales needed to be present to support the enlightenment. How the handicraft industry is structured, managed, and led is up to the participants themselves. This leaders, as seen in the following chapter, find empowering and liberating though it also brings less market security, generated intercompetition between groups in the same industry, and does not necessarily lead to greater efficiencies or growth. Small to midsized groups of less than 200 participants generating less than $250,000 in annual sales are typical members of the noncertified Fair Trade institutions.

On the other hand Fair Trade commodity products such as sugar, coffee, cacao, quinoa, bananas, and cotton are affiliated with Fair Trade institutions such as Fair Trade USA that relayed on third party certifiers such as the Fair Labeling Organization (FLO) to guarantee that production took place within strictly defined Fair Trade guidelines that focused on product sourcing, producer organization, and labor. Standardized, exact record keeping is universally applied to all

producers with little room for variance. These Fair Trade institutions still had the objective of improving the lives of disadvantaged people through market access but their method is a *niti* approach to justice, one that Sen explained relates to "organizational property" and correct behaviors (2009, p. xv). Fair Trade certifiers focus on efficiencies, growth, and competitive market access. It is a top-down approach that is easily scaled up often serving thousands of producers under a single certification facilitating the exchange of millions of dollars of goods and revenue. The women studied in chapter 8 are members of certified Fair Trade institutions and experience this *niti* form of Fair Trade as being foreign and inaccessible. Used to working together as a family, women feel left out of a collaborative process, an export business model that their husbands do not always understand, agree with, or feel makes sense (Stenn, 2012a). However, consumers and large buyers who do not have direct relationships with producers feel the certification provided a legitimacy that they needed. Producers recognized the value and importance of their certification and took it very seriously.

Overall Bolivia's Fair Trade women producers are supported in their personal growth and development by both their own government and foreign Fair Trade institutions. For the first time they are recognized as important individuals with leadership abilities and rights. Women in Fair Trade realized real economic gains and achieved many functions they valued. Fair Trade whether *nyaya* or *niti* brings greater justice to women and the new constitution supported this.

A Comparative Analysis

Taking a comparative approach to better understand the economic gains and valued functions that Fair Trade does and does not help women to achieve enables one to think about justice in new ways. A comparative approach, explains Sen, looks at a variety of methods that shared a common interest in order to see the differences in which people's lives may be influenced by institutions and peoples' own behavior and social interactions (2009). The benefit of a comparative approach is to make comparative judgments about the relative justice or injustice of particular outcomes. However, identifying perfect justice is neither necessary nor sufficient for making comparative judgments about the relative justice or injustice of particular proposals. Women's Fair Trade experiences explored in a comparative manner, exposing the flaws and benefits that Fair Trade brings without proposing or disputing that Fair Trade is perfect justice. Figure 10.1 is a comparative analysis of

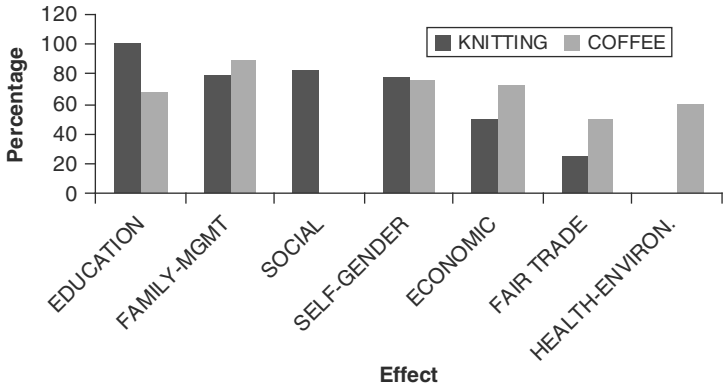

Figure 10.1 Positive effect of Fair Trade on Bolivian women (Stenn, 2010a, Stenn, 2012b).

the functions Bolivian women working in Fair Trade identify as being important to them and affecting their well-being. Percentages represent the positive responses in each category by women working either in Fair Trade knitting or coffee production. For example, all women Fair Trade knitters recognize the benefits of Fair Trade's education and training while 68 percent of *cafeteleras* feel Fair Trade provides positive education benefits, though about a one-third feel Fair trade education has its negative effects too such as uncertainty with the continuation of technical assistance and training.

The economic effects of Fair Trade, though the main focus of institutions and most researched in other studies, is not as positively significant as other functions such as education, family/management, and social. Almost three-quarters of the women working in coffee, a larger and more established Fair Trade industry than knitting, recognize Fair Trade's positive economic returns though just one-half of the Fair Trade knitters feel the same. Many of the other functions such as family and self benefit from the income created through Fair Trade though functions have other meanings for women as well. One of the overarching similarities that women in both knitting and coffee production faced is conflict within their gender roles. At the same time that women's leadership and rights are recognized by both the Bolivian constitution and Fair Trade institutions, women feel restricted in realizing their full Fair Trade participation by home and child care responsibilities. One knitter refers to this as the "double burden" of being a Fair Trade knitter, mother, and homemaker (Stenn, 2010a).

Sen's work on gender and cooperative conflicts illuminates ways in which Fair Trade influences women's realization of justice. Bolivia had a high level of female deprivation. Maternal mortality in Bolivia is one of the highest in the world with 887 per 100,000 in the rural areas (UNICEF, 2013). Women also suffer from greater malnutrition and anemia than men. In addition women are uneducated and highly discriminated against socially. According to the Human Development Report on Gender, "Bolivia treats men better than women." The report explains, "Men receive more and better education than women, receive increased and better health assistance than women, and have the possibility to generate greater income while working less . . . if we consider that women, as opposed to men, also have . . . the almost exclusive responsibility for domestic work." (PNUD, 2003). Until recently women were denied education, being required to stay at home, and help with household chores rather than go to school. "Your husband will read, write, work and care for you. What do you need to know that for?" mothers would tell their daughters (Stenn, 2010a). In 2001, illiteracy in rural areas was 38 percent for women while it was just 14 percent for men (Instituto Nacional de Estadistica, 2001). Bolivia's new constitution now requires that girls and boys both go to school and social programs award financial benefits to families whose children have perfect school attendance. Nevertheless, decades of noneducation and discrimination resulted in high female deprivation in Bolivia. The lack of education leaves women with a lack of job opportunities as well. Though there is a growing trend for women to enter the wage economy by 2002, 44 percent of Bolivia's women are engaged in paid labor albeit working the least productive and the worst paid jobs due to their low education levels and discrimination (Figure 10.2). Despite a growth in wage labor, Bolivian women's earnings only grew by 3 percent (UNDP, 2010).

Deprived groups may be habituated to inequality, unaware of possibilities of social change, be hopeless about fulfillment, and be resigned to fate (Sen, 1987). Bolivia's women often sighed, threw up their arms, looked skyward, and declared that something would happen, "*si Dios quiere*" (if God wants it). I worked with Bolivian women in Fair Trade 13 years before the new constitution is passed granting women legal rights and recognition. Certified Fair Trade's emphasis on gender equity, and noncertified Fair Trade's emphasis on women-run organizations, gain national context in Bolivia as women's leadership, education, health, and well-being become important. The women engaged in Fair Trade activities whether knitting or coffee production, are more aligned with Bolivia's new reforms and are

Figure 10.2 Bolivian woman employed as a maid, hand grinds ingredients to make *jaqua*, a Bolivian hot sauce that is a condiment staple at all meals (Photo: N. Trent, 1998).

better-off economically and through the functions they value: education, management, self, and gender, than their counterparts who are affected solely by Bolivia's reforms and do not have the extra support of a Fair Trade institution. The two pillars of government and Fair Trade institutions worked together to support the women producers. Fair Trade does not happen alone, culture and governance have a direct effect in how it is experienced.

Fair Trade brings women new opportunities and ways of approaching work that did not previously exist. Despite radical reforms, redistribution of wealth and growth in democracy, Bolivia is still the poorest country in South America. Sen explains that poverty is the lack of one's capability to function. Reducing poverty is related to positive freedom, which came from a person's capability to do things they have reason to value. "What's important to people," explained Sen, "is to be able to do and be" (Steele, 2001). Understanding women's deprivation and taking a comparative approach to their Fair Trade

experience enables women's needs and freedoms to be more visible. Knitters are more autonomous in their work than the coffee farmers. Knitters move freely about their environments, attending weekly meetings with other women, creating their own products, and earning their own income directly from the sale of these products. There is a positive correlation between their work and its immediate benefit. Knitting also brings personal responsibility. The women have to self-direct their own production and find time for it among other responsibilities. Unlike coffee farming that is done together, knitting is done alone. Coffee farmers have a stronger, more complex Fair Trade infrastructure with many dependencies. Coffee farming cannot be done alone and earnings are shared.

A cooperative conflict, explains Sen, is a type of disagreement that actually helps to move a group along with its task or activities. Bolivia's producers have identities such as being a woman, mother, family member, community citizen, and Fair Trade group member. One's individuality coexists with a variety of such identities and one's understanding of interests, well-being, obligations, objectives, and behavior is affected by the various and sometimes conflicting influences of these diverse identities (Sen, 1987). Some identities exert such a strong influence that it is difficult for one to determine their own individual welfare. For example, Bolivian women are expected to identify strongly with their identity as a mother. Women speak positively of the "sacrifice of the mother for her children," and see a woman sacrificing herself for the good of her family as "valiant" (Stenn, 2010a). Sacrifices are made in terms of health where the most nutritious food is served to the children and husband first, and economically where women worked for the "good of the children" and money earned is first spent on children's needs (Stenn, 2010a). Women often speak of their own well-being in relation to that of their children. This causes much of women's own needs to go unmet or become invisible. However multiple identities within an individual exist. Though a woman may traditionally identify strongly with being a mother, her other identifies are still there and are not resistant to social development (Sen, 1987). For example, Fair Trade with its specific focus on gender equity speaks to women's gender identity freeing her to focus on that aspect of herself and enabling her to desire to participate more in decision-making and leadership.

However there can be conflict with one's different identities as well. The inequality in intra-family divisions where women see themselves as sacrificers, creates deep negative impacts on their well-being

and survival. Inequalities are perpetuated by women encouraging their daughters to be humble and self-sacrificing, just as they had been encouraged by their mothers. The well-being of a person can be seen in terms of one's functioning and capabilities. Functionings are what one is able to do, and capabilities are what one has the capacity to do, but may not be doing. For example, realized functionings with an unrealized capability may be to be well-nourished, read, write, communicate, but not be able to take part in community decisions. Though a person may report a satisfactory level of well-being, it may not actually be present. For example, a woman may report being well-nourished, but upon further scrutiny it is found that the family is well-nourished but the woman is not. Because she sees identifies herself through the family, she associates their well-being with her own. Although opportunities may arise for one to shift one's identity, one may not choose to do so. An example of this is seen in the *cafetelaras'* resistance to assuming leadership roles, discussed below. The functionings and the capability to function have to be evaluated. "There is a need," explained Sen, "to go beyond the primitive feelings that a person may have on these matters, based perhaps on unquestioning acceptance of certain traditional priorities" (1987, p. 8). While Fair Trade creates new places for women's participation, not everyone finds it easy or desirable to participate. "I don't have time to go to meetings and learn be a representative," said one *cafetelera*. "I'm scared, afraid," stated another, "I am not secure in my words" (Stenn, 2012b). Twenty percent of participants spoke negatively of the pressure they feel to participate more fully in Fair Trade as they experienced resistance from family members and themselves to take on a different identity. However, many other women embrace these new leadership opportunities and reach out to other women to bring them along.

It is possible to distinguish between a person's well-being and agency, argued Sen. A person might have various goals and objectives other than the pursuit of their own well-being. For example, one's agency may be to create greater opportunities for one's children. The agency aspect is influenced by a person's "sense of obligation and perception of legitimate behavior" (Sen, 1987, p. 9). Politics and education can influence a person's agency aspect but it can also have a strong sociocultural relevance of its own. One's agency aspect should not be confused with one's well-being or be seen as evidence that a person is incapable of determining their own well-being. The coffee growers who feel more conflict in their gender identity and tension between being a mother and being an active community member,

find their well-being compromised. However, they easily embraced the agency aspect of Fair Trade with 70 percent of the positive education comments referencing Fair Trade's educational opportunities.

Capabilities

Sen's capability approach is essentially a theory about human freedom, and more specifically, how freedom should be factored into the assessment of advantage and disadvantage. "In assessing our lives," wrote Sen, "we have reason to be interested not only in the kinds of lives we manage to lead, but also in the freedom that we actually have to choose between different styles and ways of living" (2009, p. 227). This freedom of determination is significant when building justice, as is the way one chooses to use their freedom, for example, to enhance other objectives that are not part of one's life. This is seen in Guerriero-Ramos' parenthesis man who operates for the good of the collective community rather than just himself (see chapter 7). As one achieves freedom through different combinations of functionings and grows their advantage, they experience greater justice. How this happens is as important as the fact that it happens, and whether what is achieved resulted from one's own agency or not is also significant. For example, receiving an expensive gift from a stranger can feel awkward, especially if one has nothing to offer in return. The inequality of the situation limits the amount of freedom one achieves from it. Having a nice gift to offer in return creates reciprocity and builds greater equality in the exchange, enabling both parties to feel better-off. Sen further explains that one should be interested in "comprehensive outcomes" not just "culmination outcomes," putting the emphasis on how something works and not just what happens (2009, p. 251).

Fair Trade institutions' objective to improve lives is often equated with justice; be it economic justice, social justice, or gender justice. Fair Trade producers often asked how just Fair Trade is by making a joke with the Spanish word *justo* that means "just" as in "justice" and also as in "fair." "*El Comercio Justo es justo*?" they ask laughing (Is Fair Trade fair/just?). There is a deeper meaning behind this, which is more than just a clever play on words. In both self-reported assessments of Fair Trade's effects, women producers speak equally of negative and positive experiences with institutionalized Fair Trade. Fair Trade, above all, creates opportunity for the women to pursue their objectives and build a meaningful life for themselves and their families. At the same time, Fair Trade requires that participants adhere to a process in order to access this opportunity. For noncertified Fair Trade

the process includes meeting foreign deadlines and maintaining quality. In the certified Fair Trade the process includes extensive record keeping and foreign oversight. In both instances, women question the justice of Fair Trade because of its process, the how, not because of its outcome, the what. The distinction between what Sen calls the "culmination outcome" that in Fair Trade is the positive economic, skills development, management, and personal empowerment impact; and the "comprehensive outcome" that in Fair Trade is the process of how the cumulated outcomes are achieved, is relevant. Fair Trade's justice feels bittersweet to producers. It is interesting to note that Fair Trade coffee farmers do not have as much of a negative experience with Fair Trade processes as the knitters. This is largely due to the fact that men managed this aspect of the process more than women. The male farmers, however, complain bitterly of the burden of the certified Fair Trade process.

Fair Trade's freedoms are more than just processes. Women list many important functionings that they associate with Fair Trade. A theory of justice, explains Sen, should choose an informational focus and identify which "features of the world" one should concentrate on when assessing justice and injustice (Sen, 2009, p. 231). Using the capabilities approach to assess Fair Trade entails looking at the kinds of lives producers managed to lead, and the freedom they had to choose between different styles and ways of living. It is important to note that Fair Trade is not experienced the same way by each participant, even from the same sector. Some knitters had husbands helping with the knitting and children assuming home chores while she knit in a happy, supportive environment. Others are criticized for their lack of attention to home duties, received no support, and have their work outside of the house viewed with suspicion. Collectively and as an assessment category, they all are Fair Trade knitters. The capabilities approach is concerned with how one can achieve various combinations of functionings and compare and judge these against what one has to value (Sen, 2009). All knitters achieved the functioning of education by learning a marketable skill. Coffee farmers also achieved a large degree of education by seeing opportunity for themselves and their children through engagement in available education. Both groups achieve high degrees of functioning in managing their home life (knitters) and their home processes (cafetetelaras). Knitters speak of benefits their management and task delegation skills bring to all levels of their lives and *cafetetelaras* speak of how they learn to better harvest, process, and care for the coffee, something that brought them personal satisfaction as well. The knitters achieve high social functioning through

their mandatory weekly meetings. These meetings are a core part of the success of Fair Trade in enabling women to achieve functionings. At these meetings women learn of their constitutional rights, health care, nutrition, and help and support each other in personal growth and management. However without regular meetings and organizing, the cafeteleras do not achieve any social functionings. The question to explore is whether or not they wanted to achieve social functionings and were unable to, or if it just was not a function that was very important to them. I suspect the former is true.

There is an emergence of self and gender as a valued functioning for both groups of Fair Traders, with a significant percentage of women claiming positive achievement. This is related to the changes in Bolivia's political landscape that now recognizes women's rights through radical constitutional reform. Though Fair Trade also has a gender element to it, the percentage of women (more than 75 percent) expressing positive gender functionings in relation to the severe depravity of Bolivian women demonstrates that functionings are not independent of other environmental factors such as new laws and rights, which have a significant influence on what one can achieve.

There is a difference in how women experience their physical environment that varied from knitters to cafetaleras. Knitters do not achieve health functionings in fact they report 100 percent failure in this functioning citing work-related factors such as mental stress, eye strain, respiratory ailments, and repetitive motion injuries. They are physically worse off from their Fair Trade participation. The cafeteleras however feel better-off and many report positive achievement of environmental functionings largely due to the organic farming methods associated with their Fair Trade coffee production. It is important to note that once the knitters' negative health factors are identified, they are quickly remedied. Further study might find that knitters are now enjoying positive health outcomes with access to doctors and medical staff through their Fair Trade participation and earnings and Bolivia's new medical and social programs. However this is not known. What is demonstrated here is that the achievement of functionings is dynamic and can change for the better or worse quickly and easily. The capabilities approach therefore provides a glimpse of how justice is realized or not in a single instance or a long period of time, depending on the dynamics of the functionings studied.

In the case of Fair Trade knitting and coffee it can be argued that the *cafeteleras* enjoy greater capabilities and justice through the steady returns provided by their large, well-established Fair Trade

institutions that provide organized training, infrastructure development, and equal gender opportunity. It can also be argued that Fair Trade knitting provides greater capabilities and justice because of the high degree of self-determination by participants. Knitters are empowered to make their own decisions, develop their own skills, set their own schedules, and to a degree, determine their own earnings. Looking at the injustices of Fair Trade for *cafeteleras* illuminates the leadership challenges women face as men fail to accommodate their participation in the daily management of Fair Trade operations, create opportunities for women, and potentially mismanage operations. Fair Trade's injustices for knitters take place in the uncertain seasonal nature of orders, dependencies on foreign customers, inefficiencies of small scale of production, and workplace safety challenges. In reality both Fair Trade knitting and coffee production grows justice and injustice for participants. The capabilities approach focuses on human life and not just "detached objects of convenience" such as income or possessions that so often are the criteria of human success (Sen, 2009). Understanding Fair Trade via the capabilities approach and comparative analysis captures the many ways in which justice is realized or not.

Supplemental Materials

Online Research: Adopt a Fair Trade Producer Group

Visit a Fair Trade institution's website and select a producer from its member list. Be mindful of the group's dominant gender. Study male- and female-dominated groups separately to later make comparisons. Many female-dominated groups work in handicraft production. The male-dominated groups tend to be in the agricultural commodities sector. Make sure you are selecting an actual producer group and not a Fair Trade retailer or distributor. Producer group websites will have information about how and where products are made, who the producers are, and the organization's history. Research this producer. Read stories and profiles. Spend several weeks if possible getting to know this group. Think about how this group views their pillar in Fair Trade and how it interacts with the other pillars around them.

- View their videos.
- Purchase and sample their products, if you can.
- Research the producer group's country. Find out what the local history of the region is, any local challenges producers are facing, and other interesting information about the region.

- Send the producers an email, introduce yourself, and end with questions for them to answer. You might want to ask about their role in Fair Trade. How their participation has affected them? What a typical Fair Trade day is like? What benefits they are realizing through Fair Trade? What challenges? If they could do things differently what would they change? Ask them for a message to share with others and answer any questions they may have for you.

Critical Thinking

Fair Trade can be thought of as a submarine in a neoliberal, free market, sea. Neoliberalism, meaning "nearly free," favors the laws of supply and demand to drive market prices, availability, and development, rather than governments or trade regulations. The laws of supply and demand state that the price and availability of a product is guided by how much is available and how many people want it. For example, if there is a large demand for a product such as oil, but there is a limited supply, then the price will rise as the supply runs out. The same holds true for oversupply. When Vietnam entered into the coffee market for the first time in the 1990s, they flooded the market and drove down prices for all coffee producers. Fair Trade is affected by the same currents, tides, and market flows as the global economy and operates within the same principles of supply and demand, competition, and consumption.

But Fair Trade is different. It is self-regulated and appeals to a specific, socially conscience market. It does not let supply and demand completely guide pricing, but instead creates artificial price floors that guarantee producers a living wage. It competes not in the narrow self-interests of people looking to preserve their economic well-being, but instead appeals to consumers' personal values and ethics. As well-meaning as Fair Trade's principles are, they are created by Fair Trade institutions that form a hierarchy and limit producers' freedom to self-determination. Producers are required to follow Fair Trade principles in order to be included in the Fair Trade model. There is little room for producer input in developing the principles. In addition, distributors of Fair Trade products, including retailers and wholesalers, are not required to adhere to these principles, just the producers themselves. This causes some question to the fairness of Fair Trade.

Producers ask if it is fair that they do not have an equal role in determining their own Fair Trade principles. They question the fairness of distributors, who often exploit their own workforce and the environment, not having to adhere to Fair Trade principles themselves

when selling Fair Trade goods. Producers also question the fairness of manufacturers selling products made with purchased Fair Trade ingredients that make it appear as if an entire product line or company is Fair Trade when it is not.

- Find out what are the critical thought challenges your producer group is grappling with.
- What are their points of view? Solutions?
- Find out how they would like to have Fair Trade be if they could design it any way they wished?

Activity

Prepare an electronic report about the selected producer group to share with the class, others in your school, and/or the local community. Include maps, product photos, production steps, producer profiles, and area photos. Include the producers' own critical thinking and solutions.

Part IV

Putting It All Together

At this point the Fair Trade story is more completely understood from the overall macro goals and structure of global Fair Trade to the deeply personal micro view of place and people. A common language has been built and tools created in which to understand Fair Trade as justice. This final part provides a deeper look at the underpinnings of the experiences and dynamics witnessed among these pages, thus far. Now at the cultural and political intersection of Fair Trade, the need to more deeply understand women's leadership and culture in general arises. The following chapters bring greater scrutiny, analysis, and understanding of these themes, solidifying the full Fair Trade experience.

11

Indigenous Women and Leadership

Introduction

"Yes, we lost 30 percent of the coffee crop this year," confirmed Nancy Lopez, when asked about the effect of climate change on the 2012 coffee harvest. A rare, late May rainstorm had washed the ripe cherries from the coffee plants. "No, the government is not helping us, there is no help from anyone," she calmly explained (Stenn, 2012b). Lopez, elected by a six-vote margin in August 2012, is the new President of Gender at FECAFEB. Operating in an environment of uncertainty and rapid change, reliance on the indigenous ways of *Suma Qamana* that focuses on the well-being of all, provides a platform of stability and resilience for a country in flux. In the last 20 years, Lopez has seen her family rise from being marginalized, impoverished, migrant farmers to important participants in the global economy; women move from a place of abject discrimination to one of legally protected participation at the highest levels of government; and the climate around her collapse as droughts, floods, and temperature changes sweep across the region with increasing frequency. A poor coffee season does not faze her. Coffee is a commodity that provides important income and the loss of that income is significant, but Bolivia's models of solidarity economy, food sovereignty, and self-managed communities ensure that there are other ways in which her family can support themselves. Lopez studied these in the Leadership School she graduated from ten years ago. Supported by a strong network of colleagues connected thorough social media and electronic devices, Lopez forges ahead. The face of Bolivia is changing as quickly as Lopez' personal experiences. In 2005, women held just 3.7 percent of the seats in the Bolivian senate (International IDEA, 2012). As result of the December 2012 elections, women now occupy 50 percent of Bolivia's parliament giving them important influence and power over the country's governance.

Women's leadership is no longer a theory; it is a reality for scores of Bolivian women and a possibility for thousands more. This chapter follows Lopez' story and that of other women leaders living in Bolivia and working in Fair Trade to present a context and framework in which to understand their emergence as leaders in relation to justice.

Early Leadership

The 1980s marks a time when the idea of feminism and women's leadership begins taking root as the development world linked women's poverty with the lack of opportunity and sought to engage women more in decision-making, wage access, gender equality, and self-determination. Times are difficult for these early feminists. There is no cultural or political support of their position. Back in the 1980s, Bolivia is in the throes of neoliberal restructuring under a male-dominated government directed by foreign investment, decentralization, and the continued marginalization of Bolivia's indigenous majority. There is no room for women's leadership, though like the tough weeds that grow through the cracks in urban sidewalks, it is there.

The three women leaders of this era, Antonia Rodriguez, Emilia Laime, and Marina Claros whom I have known since the mid 1990s, shared common experiences of coming from humble beginnings, embarking on their leadership journey when in their thirties, getting to know each other via 1980s leadership development workshops, living nontraditional lives by choosing to be single or divorced in order to pursue more independent work and leadership roles, acting as bridges by communicating with foreign customers via cell phones and the Internet, and organizing work within local indigenous communities. Their experience is similar to that of women worldwide who know social isolation in the form of non-marriageability, divorce, or other forms when choosing more self-orientated paths instead of the culturally endorsed expectations of female altruism (Chant, 2007).

Rodriguez, Laime, and Claros all share a common beginning rooted in the Bartolina Sisa National Confederation of Bolivian Rural Women (FNMCB-BS). Bartolina Sisa is an indigenous Bolivian heroine who led an army of 40 thousand in a siege against the Spanish in 1781. Through the FNMCB-BS women gained leadership, management, and organizational skills through workshops and learned to form and manage knitting groups that eventually led to their entering into Fair Trade and export markets. This Bolivian feminist organization was founded in the late 1970s on the backs of mothers' clubs organized through the national rural producers' union, Confederación

Sindical Unica de Trabajadores Campesinos de Bolivia (CSUTCB, Trade Union Confederation of Peasant Workers of Bolivia) created by the Catholic Church in the 1960s as a way for women to meet and receive donated food and participate in sewing or weaving courses (Lilja, 2000). Having a space for regular meetings, and a reason to attend (food for the family) enabled women to share ideas and organize. Eventually these clubs evolved to become the FNMCB-BS and focussed on improving rural women's social, economic, educational, and cultural situations (Lilja, 2000). The FNMCB-BS is considered Bolivia's "most important feminist movement," representing the largest section of the women's movement, with a membership that reaches over 100 thousand women (Monasterios, 2007). Known as *Bartolinas*, participants ranged from national executive directors to community-level producer association organizers. The FNMCB-BS has a trade union structure that means that it has enlisted membership, voting, democratic participation, and political influence. FNMCB-BS the "vanguard of the indigenous movement" played a lead role in supporting the 2005 rise to power and leadership of Bolivian indigenous president Evo Morales, and the development of the 2009 constitution (Monasterios, 2007). The FNMCB-BS–trained knitting leaders continue to be active FNMCB-BS members and self-identify as Bartolinas but are also leaders of their own accord. Rodriguez, Laime, and Claros are protective of the women they lead, competitive in their pursuit of Fair Trade customers, and unwilling to work together. Each is afraid of the other undermining a project or taking a client and feels their own organization is the best at providing empowerment and opportunity for knitters (Stenn, 2010b).

Rodriguez is the founder of the largest knitting group Asociación Artesanal Señor de Mayo (ASARBOLSEM, Senor de Mayo Artisan Association) and has been a member of the WFTO since 1998 even adorning the front cover of their annual report in early 2000. Rodriguez a very public Fair Trade figure, traveled to Europe and across the Americas participating in many Fair Trade shows and conferences. In 2010, Senor de Mayo was named a "model social enterprise" in Latin America by the UNDP (World Fair Trade Organization, 2010). In 2010 Rodriguez was appointed by President Morales to become Bolivia's first minister of Productive Development and Plural Economy. Rodriguez grew up in the rural areas of Potosi among quinoa farmers and miners, learning to knit form an early age. Rodriguez, aged 54, explains that she was once married, but left her husband when she felt him being too restrictive, choosing to raise her young sons on her own. It was difficult and a sacrifice, she explained.

She first became involved with knitting groups when working with a Dutch development project to form the *Kantati* knitting group in the 1960s. "After they left," explained Rodriguez, "I thought there is nothing more to do." Then she was invited to Russia for a project and soon afterward received help from Dutch, Canadian, and Bolivian organizations including FNMCB-BS that focused on women's entrepreneurship and development. "Since I was left with so many experiences," explained Rodriguez, "I saw that for an organization to help us, we will need to have clients and responsibilities—this is how Senor de Mayo began." She has since grown the organization to be a $130,000 a year operation with over one hundred knitter members and sales largely in Europe (Stenn, 2012a).

Fair Trade is more of an ideology she explains. "It is a freedom that Fair Trade gives, helps us, supports us, that makes sure we are sincere and we understand its principles." She stresses the importance of rural women being able to maintain confidence. "We can't lose our cultural values," she explained. Fair Trade gives people "a reason to meet, a place to share, see, learn." She speaks of knitters' bringing their social problems such as family violence, fighting, and drunkenness, to the group and how the group acts upon them, providing support and creating solutions. She sees herself, and Senor de Mayo, "as a school to teach others how to work together, make good products, stay with the group, or to leave [and pursue other independent work]" (Stenn, 2010a).

Emilia Laime, aged 55, is the *Curaq Maiku* (president in Quechua), of the Asociación Artesanal de Tejidos *"La Imilla"* (Handicraft Association of Knitwear, La Imillia—*Imillia* means "young lady" in Quechua). Laime grew up in the colonial, agricultural town of Arani outside of the city of Cochabamba. She began to knit with her sisters when she was 13 years old. Though she had aspirations to study medicine, her family did not have the money to pay for medical school. Laime's mother died when she was seven, leaving the sisters to raise themselves and care for the household in her absence. Laime felt that if she wanted to study, she would have to forgo marriage and the restrictions that it would put on her. "A husband will not let me study," she explained. As the second oldest sister, she felt responsible to help support her family first, so she dropped out of school and joined the private Bolivian knitting company Fomento al Trabajo Manual (FOTRAMA, Manual Craft Promotion). She became frustrated with the knitting work citing concerns with transparency and adequate payment. Laime soon quit FOTRAMA, joined a small micro finance lending program in the neighboring town of Punata, acquired

11 pounds of alpaca yarn, invited ten women to knit, and founded the La Imillia organization in 1979, registering it as a Bolivian nonprofit.

La Imillia grew over the years, receiving technical assistance and orders from foreign clients and organizations Laime met in Bolivia such as Alpaca Works, Oxfam England, La Kochalita, the Methodist Church, and Pueblo to People with mixed results. The WFTO is the only Fair Trade institution available for artisans to join in Bolivia and it is not easily accessed. The main office is in Uruguay and applications need to be completed online. At that time, women did not have access to the Internet or the skills to maneuver complicated applications. La Imillia followed Fair Trade production guidelines but did not receive the security that Fair Trade organizations did when selling to members within the same organization. Sales were favorable though none lasted more than a few years and one client took delivery of a large $10,000 order that he then left unpaid, almost bankrupting the association. During La Imillia's heyday from 1988 to1998 they generate $45,000 a year working with over 40 women; today Laime oversees operations with a core group of 12 women, producing $20,000 of goods a year. Through it all, Laime continues to seek training through different capacity building projects and workshops and eventually became a trainer herself in business administration, basic accounting, women's promotion, loan feasibility, leadership, and small business development. Some of these new training programs are offered through the same FNMCB-BS, where she received her first training and met leaders Rodriguez and Claros.

Marina Claros grew up in the countryside on the outskirts of the city of Cochabamba. She married a young man from her region and had five sons. "With my husband, I could not work," she explained. She is only allowed to knit. "I could not study, I could not leave the house. I waited until my children are older, and then filed for a divorce and left the house" (Stenn, 2010a). When she left, Claros studied nursing and worked for ten years as a parish nurse. She never really liked blood though and found herself working more with women and knitting. Finally she switched jobs and began only working with women and knitting. She participated in the leadership-building workshops of FNMCB-BS and met other women knitters and leaders. UNICEF then hired her to be a Knitting Instructor for a new women's development project being organized by US Peace Corps volunteers and thus was born her organization, Alma de los Andes (Spirit of the Andes). Engaging about 80 women knitters, Alma generates about $80,000 a year in export-quality knits, mostly sold to foreign clients in the United States and Japan.

"We give women opportunity to work without changing their culture," explained Claros. "We maintain their way of living, their language; Quechua, Spanish, Aymara." Claros encourages knitters to teach these languages to their children too. She also encourages them to stand up for their rights. "You have to do what you want and fight for what you want," she advised. Claros criticizes the macho persona of Andean men and the control they have on their wives. "Women can not leave their house, they can not overcome, they only exist for the children and to cook." She pointed out that mothers teach their children these dominant/submissive male/female traditions. The knitters in her group, she explained, are mothers who can leave their houses. They are setting an example for their children. Her challenge, she said, is to develop independent women. These knitters, explained Claros, are knitting to earn money to support themselves and improve their skills.

"We are the ones who have courageously decided to participate, take our word, our feelings, and our dreams in order to work to change the injustices of our world," explained Rodriguez in reference to all women Fair Trade leaders as she is being recognized by the WFTO on International Women's Day. "We are people who want to participate in building a fair world, people who agree to strengthen organizations, care the quality of products and organic raw materials, and a commitment to respect nature" (World Fair Trade Organization, 2010). Similar to the 1960s mothers' clubs, Fair Trade is the tool that provides women a reason and place to meet, enabling leaders to empower others by providing income and education. The knitting group leaders are motivated to provide knitters with skills and confidence so that the latter make a better life for themselves and their families. Rodriguez said of the women in Fair Trade, "We are like the blood that runs and make the body alive" (World Fair Trade Organization, 2010).

New Leaders Today

Leadership in Bolivia today is very different from the economic empowerment models developed in the 1980s. No longer narrowly focussed on building business and entrepreneur skills for women, leadership training today focuses on communication, networking, organizing, reporting, and self-determination. Programs are developed from the bottom-up with participants determining their own project needs. As a result, a new wave of empowered indigenous women leaders have emerged. Rooted in the work of the Coordinadora de

Integración de Organizaciones Económicas Campesinas de Bolivia (CIOEC, Coordinator of the Integration of Rural Producer Economic Organizations of Bolivia), the emergence of vast networks of independent community-led organizations creates new places for women's leadership and changes the political landscape of Bolivia. CIOEC is the umbrella organization for the Organizaciones Económicas Campesinas (OECA, Rural Producer Economic Organizations). The OECAs (similar to the COB presented in chapter 6) are democratically organized, grassroots community organizations that for the past 15 to 20 years had focused on improving living conditions, market access, and production for small, rural producers. Most had no budgets and little outside support. Through trial and error they slowly grew learning from each other how to work together for the well-being of all (Duran Aguilar, 2002). The 633 independent OECAs representing over 100 thousand families from diverse regions of rural Bolivia consolidated under CIOEC in the 1990s to jointly develop policies, actions, and communication that supported their vision of sustainable agriculture and an alternative life with dignity for its members. The government did not recognize the OECAs that hailed from many different regions of Bolivia; they preferred to work with the NEP programs of productive and competitive municipalities supported by the LPP (see chapter 6). Even the COB who by the late 1990s had 35 leaders nominated as senators and are rural sympathizers, did not understand the OECAs' focus on collective sustainability and equality. However the strength, tenacity, and vision of the OECAs and its supporter CIOEC caught the attention of international aid organizations that in 2000 began supporting their efforts by facilitating capacity building programs, leadership training, economic development, technical assistance, and computer networking. Financing came from the European Union, Holland, Belgium, and the United States.

The OECAs had their roots in the most rural areas where indigenous ways of being are still practiced (Figure 11.1). These indigenous roots influenced the way in which democracy and community development are viewed and created spaces for women's voices to be heard. What evolved is the development of Solidarity Economy with a balance of social and economic objectives and a new model of cooperative development supported by the 2009 constitution. By 2013, there are 778 OECAs representing more than a million rural, indigenous, and original families spread through the country's nine departments. Women are the majority participants in the OECAs making up 59 percent of the membership. Most members are involved in agriculture (60 percent), while 24 percent focused on livestock, 12 percent

Figure 11.1 One-thousand-year-old Inca terraces used for agriculture; cultivation of potatoes and wheat are visible on the steep mountain slopes of the Huyuma valley during an unusual early spring snowfall (Photo: T. Stenn, 2008).

worked in handicrafts, 2 percent in tourism, and 1 percent on other projects (CIOEC, 2013). With greater organization and participatory democracy, the OECAs continue to push forward for greater sustainability and change.

An example of Bolivia's new wave of indigenous women leaders is found in FECAFEB's new directorship that includes Vice President Susana Lima, President of Gender Nancy Lopez, and organizational leader Esther Alanoqa. These women are 10 to 20 years younger than the knitting leaders, engage in social media for project development and information, are motivated to help all women realize a voice in Bolivia's governance and development—not just those working in coffee—feel supported by their family community and organizations, are innovative, upbeat, and fast moving. They are constantly networking with each other, forming alliances with other organizations, leaders, and looking at how government, civil society, and private enterprise can work together to meet needs and create meaningful, sustainable opportunities. For example, certified Fair Trade sales include community development funds that must be invested into the local community. Usually these funds went toward infrastructure improvements or education, but the women are now using these funds as the basis for soliciting additional government support and NGO funding to

develop a large multiuse coffee education, training, and processing center in the central town of Caranavi. This three-year project includes a Coffee Institute with university level education programs and degrees in sustainable agriculture, coffee production, and processing; professional food and agronomy laboratories for analyzing and developing new coffee cultivation methods and products; a commercial grade coffee roaster, grinder, and packaging facility; meeting rooms; a shelter for women escaping abuse; and a dormitory where women could stay when traveling down from Caranavi's remote colonies for meetings, doctors' visits, or just to rest.

Lima, Lopez, and Alanoqa share a similar background having moved with their families to the Caranavi colonies as children, leaving the highlands for new opportunities in the tropics (See chapter 9). All maintain close contacts with family members hours away in the highlands making several trips a year for village festivals and holidays. Now grown women themselves, they own land and raise coffee in Caranavi juggling children, family, and leadership work, constantly moving between the tranquil jungle town of Caranivi and the busy mountain capitol of La Paz, four hours away and ten thousand feet up.

The training programs they participated in are developed for the Confederación de Pueblos Indígenas de Bolivia (CIDOB, Confederation of Indigenous Villages of Bolivia) through Dutch NGO, International Institute for Communication and Development (IICD) for CIOEC's Leadership School in the early 2000s. IICD believes that information and communication technology (ICT) transforms lives by increasing well-being and sustainable economic development. Unlike traditional ICT for development (ICT4D) models that focus on the transfer of new or innovative technologies, IICD takes a participatory and multi-stakeholder approach focusing on people rather than technology. A core principle, learning by doing, enables IICD to facilitate a process in which stakeholders cocreate and implement their own ICT solutions. A typical IICD project spans three to five years, much longer than the customary ICT4D projects that usually last just few months. The IICD approach results in 80 percent of IICD projects worldwide integrating ICT into their core business (IICD, 2013). CIOEC in Bolivia is one such success. For more than a decade, CIOEC's Leadership School has functioned as a year-long program set up with the intention of forming a new generation of leaders that embrace CIOEC's organizational values of integrated, sustainable social, and economic development. Training is offered in six, five-day long modules divided into two levels. To capture CIOEC's diversity the Leadership School is offered nationally with a module presented

in a different region each month. Participants travel to workshop sites, sometimes more than a day's journey away, and are provided with housing so they can participate in every module. This enables participants to know other parts of their country, understand different needs and concerns first hand, get used to working with people from different regions and backgrounds, build friendships, and form strong national networks. The modules begin with a cultural orientation that introduces participants to the history and background of the OECAs and the Bolivian political system. It also builds participants' confidence, public speaking, and presentation skills, and teaches them to use the computer and other communication tools. The next modules teaches themes of self-management, solidarity economy, food sovereignty, and sustainable agriculture. The objective of the curricula is to strengthen participants' capacity for social action, analysis, political dialogue, and proposal writing with the intention of forming new rural leaders who can influence change on a local, regional, and national level. Central themes within each module revolve around political economy, organizational, and commercial development, and leadership with each are overlaid with a focus on social, economic, political, environmental, technological, and humanistic themes.

The education developed by the OECAs comes from its rural indigenous organizations, so the curricula delivery is pulled from the historical and cultural ways of being, the Andean cosmovision. Here time, space, and being takes place in an equilibrium (Figure 11.2). Education takes place within a community, at home, and within the people themselves. Gender creates an equilibrium of two poles, male and female. To be a full human, *runa/jaqi*, in Quechua/Aymara, one has to have a willingness to be (*Munay*), to know (*Yachay*), to do (*Ruway*), and to have power (*Atiy*). No one can be considered properly educated without including all of these elements (Quintanilla Cora, 2012). The Leadership School delivers curricula to reflect being, knowing, doing, and power. Classes are unisex with about 18 participants in each module. The Leadership School is rigorous, complex, and produces viable leaders at a time when rural leadership is greatly needed.

IICD supports the Leadership School programs through the creation of an information and communication technologies (ITC) network in Bolivia with the goal of building a more inclusive society (IICD, 2005). Working from the bottom-up, IICD enabled CIOEC to develop its own ICT uses to help design policies that reflect the true situation in Bolivia. From this came the TICBolivia network. Leaders around the country have regular access to Skype, email,

Figure 11.2 Three-thousand-year-old monoliths from Bolivia's Tiwanaku period. Bolivia's indigenous ways of being have roots in this ancient culture that spanned four countries, included over a million members, and produced vast architectural structures carved from large stones brought from great distances. Many aspects of the Tiwanaku civilization remain a world mystery (Photo: N. Trent, 1998).

blogs, and intranet resources to share data, reports, videos, and photos via TICBolivia. IICD operates within a fairly simple development model; they work directly with local partners in an already established country program to identify places where ICT would have the most impact on economic development, education, and health (IICD, 2013). Funding, project advise, monitoring and evaluation processes, training, and coaching are provided along with methods of scaling up and supporting local efforts to shape national policies (IICD, 2013). What at first seems a simple technology and communications project grew to become something much larger, unique, and integrated. It is through the open IICD approach that the OECAs in their vast structure of thousands are able to unify around a very effective, core model of leadership development and delivery building their values and affecting change in a way that benefitted all.

Lima is excited about the new position she is elected for in the FECAFEB directorate. "I have been wanting to do this for a long time," she explained citing new ideas for women's empowerment, organizing, support, and economic development through workshops, meetings, and coffee development initiatives such as a retail line of

packaged coffee and regional coffee shops. These were ideas that she had for a long time and now could finally begin realizing. Lima, now 39, remembers one of the first conferences she attended for "Women of the Valleys" a decade ago. She felt unprepared and intimidated. She saw other women from different regions who seemed much better prepared, but the women around her were not. She saw no leaders and decided at that moment that she would become the leader so she could show everyone else how it is done. "It's in my character," she explained. Lima had arrived in Caranavi from the high valleys of Sorata at the age of 12, the oldest of five siblings. She completed high school and enrolled in the state University in La Paz to become a technician but dropped out a semester before completing the program. It was not taking her to where she wanted to be. "There are too many other things to do," she explained. She wanted to go to workshops, training programs, conferences, and learn how to lead and help other women. It was difficult. She was raising three children, her husband who was unsupportive of her leadership work had already left, and she had her own farm and household to run. Fortunately her parents and siblings were supportive of her work and helped out. This enabled Lima to continue pursuing the work she was passionate about. She took on leadership roles within FECAFEB, becoming the President of Gender and used this as a springboard to gain access to other organizations and programs. "We worked on a national level participating in the laws that helped women, meeting with the Constitutional Assembly," explained Lima. Lima is particularly passionate about laws protecting women against violence, like 70 percent of the women in her country, she too had been a victim of violence. "Helping each other with these laws is very important," she explained. On a local level, Lima is interested in "working so women are not lost in the land," reaching out to isolated coffee farmers and helping to build their confidence, skills, and socioeconomic participation.

Lopez was elected into Lima's former position, gaining the title of President of Gender by a margin of just six votes. At the age of 40 she had been working on building her leadership role since 2000 when she attended one of CIOEC's first leadership schools. She still keeps in touch with her colleagues from that program many of whom have since moved into varying positions of high leadership. Her goal like Lima's is to help women by being a role model for them. She feels that helping women is not enough, she has to be an example. "I am not a professional. I have not studied [in a formal education setting]," she explained. The simplicity of her background she feels is what makes her a viable role model for other women, she is like them. Lopez

used to feel inferior because of her lack of education. She arrived in the Caranavi region, traveling with her family from the highlands of Oruro, at the age of eight. The colonies did not have many schools at that time. Lopez did not feel she could express herself in public, use a computer, or write. At the leadership school she learned to express herself, speak up, lose her fear, and build her self-confidence. Now she emails, makes presentations, writes project proposals, and with Lima is working to develop a coffee center in Caranavi. She is particularly passionate about getting government support for the project and wants to start a national campaign to teach Bolivia, a country of tea drinkers and instant coffee consumers, how to brew and consume their own freshly roasted, ground Fair Trade organic coffee. Like Lima she also has a household and farm to manage though her leadership work involves travel. The FECAFEB main offices are four hours away in La Paz, and FECAFEB members are scattered about Caranavi's remote colonies tucked away in the Yungas jungles. Her husband is very supportive of her work, understands its importance, and often cares for the youngest of their two children and the family home in Lopez' absence. "It would be difficult to do this without my husband's help," Lopez admitted. She noted that while 70 percent of the people around her seemed supportive of her work, there is a percentage that criticized her husband for doing the "woman's work," and some women who thought that Lopez' absences would cause her husband to leave. Lopez spoke of socialization programs that she is working on for both men and women to help educate them on women's rights and gender roles.

Alanoqa is also motivated by the desire to help other women improve their lives both socially and economically. "This is an opportunity," she explained, "you can't just wait. You have to take it. You don't know when it will come again." Like Lima and Lopez, Alonoqa came to the region from the highlands as a child but left when she is 18 to make a better life for herself. She traveled to the tropical city of Santa Cruz 20 hours away and found work in an office. Soon she is engaged and had a son. Her partner became violent and she left, returning back to Caranavi as a young single mother with an infant. Now at age 24, she is the secretary of gender for Union Pro-Agro, the 120-member coffee group that she is a member of and an Organization Leader for FECAFEB. She travels the country attending training meetings, leadership workshops, and capacity building conferences, bringing her young son with her. "I hope he grows up knowing how to respect women," she explained, "maybe this will start teaching him." Alonoqa is preparing to present her first workshop to

the women of FECAFEB, aimed at helping them to organize and participate. She is using a "train the trainer" model she received from the CIOEC Leadership School module that she just completed. She is to train the women to then train other women enabling the lesson of leadership to expand throughout the community in a social networking style.

While CIOEC and the Bolivian constitution encouraged women into leadership roles, foreign Fair Trade institutions are also important in pushing this forward. Bolivia's traditional model of men speaking on the behalf of women is not valid for foreign Fair Trade certification. Women needed to be physically present in the coffee directorate. Outside agencies help to organize women's conferences for FECAFEB in order to create more space for women to participate in accordance to Fair Trade certification requirements. Fair Trade's need for trained women leaders developed simultaneously with Bolivia's growing opportunities for women's leadership. The Andean way of being captured in *Suma Qamana* embrace gender balance and create a historical and cultural space for changing gender roles.

Indigenous Feminism and Leadership

"We are in a very important part of history, in a process of change and a time of transition," wrote Aymara community member Fernando Huanacuni Mamani, "we have to recover our identity, our culture, our values and therefore our force" (2013). The place where this is happening the fastest is with Bolivia's indigenous women.

To understand the impact that changing leadership roles has on women in Fair Trade one can review the emergence of indigenous feminism and how it differs from feminist models of the past, by studying the recent process of Bolivia's CA and the passing of its new constitution. On January 25, 2009, Bolivians approved a new constitution that for the first time, recognized Bolivian women as separate from Bolivian men and gave them specific rights and protections. It also challenged Bolivians to rethink their views of gender and leadership and created a place where more justice could be realized. The creation of the new constitution is achieved through an almost two-year process as members of political parties and civil society are elected into the CA to together draft the new laws for Bolivia. Women represented 33 percent of the 255-member CA and the constitution had to be passed by a majority vote. The women needed to be united in order to have their voices heard. A *Pacto de Unidad* (Unity Pact) is formed among indigenous organizations that sought to lobby the CA through

a coalition of feminist and women's organizations Mujeres Presente en la Historia (MPH, Women Present in the History) (Rousseau, 2011). As mestiza and indigenous women came together under MPH, however it was soon realized that the women are present in many different ways. Indigenous women build their collective agency seeking indigenous autonomy and self-determination while middle-class mestiza women since the 1980s had been promoting women's rights, liberation, political representation, and gender-sensitive policy through NGO development based on popular feminist theory that did not reflect the indigenous ways of being (Rousseau, 2011).

Mestiza women are women of mixed Spanish and indigenous descent. Many are associated with the middle and upper classes, dress in Western-style fashions, value European and US culture, favor neo-liberalism and fear the "backward ways" of their indigenous women counterparts (Rousseau, 2011). Many indigenous women view mestizas with disdain, seeing them as influenced by colonial imperialism. Some indigenous women feel intimidated by the mestizas' assertiveness and outspokenness. There is a clear class difference between the two groups. Indigenous women historically worked for the upper-class mestiza women as maids, clothes washers, child-care providers, house cleaners, and cooks. However mestiza or indigenous, all were women. By recognizing their collective need to rise together as women in the MPH, they made history themselves, transcending class and ideological differences for the benefit of all Bolivian women.

Many popular feminist development programs focus on achieving Millennium Development Goals of greater gender and social justice. The United Nations Development Fund for Women (UNIFEM) identifies four key areas where women need to grow their opportunities and capabilities in order to realize these goals and recommend methods to achieve it. The first is the expansion of access for women to public services such as education, health care, and technical assistance. This, UNIFEM claims can be achieved through vouchers, stipends, training, and employment. A guarantee of land and jobs for women is UNIFEM's next area of growth. This could be realized through the creation of decent work, legal means to property ownership, full employment, and an elimination of gender-based wage gaps. The third key point is the inclusion of women's voices in decision making. This could happen through gender quotas, training, and the delay of marriage. The fourth point is the ending of violence against women and girls that could be achieved through public awareness, data collection, and law enforcement. (UNIFEM, 2010) While these steps are important and necessary, imposing them

upon Bolivian women in order to liberate them and achieve millennium goals is problematic. Similar to the Fair Trade guidelines, while well intentioned, the Millennium Development Goals are foreign and do not fit the context of the highly collaborative and distributive indigenous ways of being.

Feminist NGOs in Bolivia supported the emergence of women's leadership through the CA and the development of the new constitution, however, indigenous women leaders are critical of their role and approach. They felt the feminist NGOs received a "wealth of money flowing for foreign sources" and are working with an ideology that "pitted women against men" instead of recognizing the contributions each gender made to society (Rousseau, 2011, p. 14). They also felt used by feminist NGOs as clientele and noted the inequality of salaries and professional environments that NGO workers operated in, while indigenous women are unpaid volunteers with little infrastructure (Rousseau, 2011, p. 14). Even the definition of gender is one of contention. In an interview with one-half of the women CA constituents, 24 percent defined gender as equality, rights, and nondiscrimination, while 20 percent spoke of their own experience as a woman, 18 percent referenced political participation, and 10 percent referred to Andean principles of complementary duality (Viceministerio de Género y Asuntos Generacionales and Cooperación Técnica Alemana, 2007, 5). Nevertheless, despite some frustration, mistrust, and changing power dynamics as historically marginalized women gained a voice equal to that of elites, and mestiza women feared their years of careful NGO development were being threatened, women understood the need to work together and are committed to the MPH that all viewed as being "representative and inclusive" (Rousseau, 2011, p. 14). MPH functioned from 2004 until 2009 when the constitution was passed. MPH organized over 400 workshops throughout the country with the input of about 20 thousand women representing one thousand women's and mixed organizations helping to create a comprehensive constitutional proposal (Mujeres Presentes en la Historia, 2006; Lanza Monje, 2008). The women of FECAFEB worked with MPH in this process, each learning from the other. The results are a melding of leadership views, the writing of the constitution in nonsexist language using both female and male word forms, and the "elimination of all forms of discrimination against women in reference to access, property, inheritance and the sale and redistribution of land" (Rousseau, 2011, pp. 22–23).

Complementarity, or dualism, is part of the Andean social structure and community organization based on *Suma Qamana* and grounded

in principles of justice and harmony where a community's needs are met in a sustainable, collective fashion. It is found in *chachawarmi* (man/woman) where each gender represents a polar opposite, man on one side, woman on the other. Each side complements and balances the other whether in gender or in life in general. Duality is seen in all aspects of being with a balance, for example, between private and community ownership, public and private life, good and bad, day and night. (Stenn, 2012c). *Chachawarmi* is equilibrium. In Andean duality it is explained that a person has two eyes, two arms, and two legs, so to be a whole leader they naturally must be two people; they must have a partner, a pair, their *media naranja* (translated to mean: *their other half of the orange),* but not in the identical sense, some may be pulp, others seeds though together they make up a whole fruit. Complementarity shapes gender relations and effects gender roles. As seen in Lopez's example, her husband helps with the work at home, while Lopez attends to leadership responsibilities. Both work with wage generation and their son attends school. Together Lopez and her husband make a whole home. Duality of gender takes place in different spheres, that of education, political participation, income-generation, and household care. Complementarity refers to the duality of gender that is represented in all of the spheres and in all contrasts in the world around (Rousseau, 2011).

Leadership and Justice

The sociopolitical processes that Bolivia's indigenous Fair Trade women endured helped to create greater justice in Bolivia and Fair Trade. Through deep, extended engagements in public reasoning and participation in a functioning democracy, new voices are heard and ideas developed in a way never previously thought possible. While leadership and opportunity is growing for women through Bolivia, it affected the women in Fair Trade differently. All Fair Trade leaders are deeply committed to improving socioeconomic conditions, empowering other women and engaging in Fair Trade to enable them to achieve this. However, the way and the extent to which women leaders did do this depended on the type of Fair Trade organization they belonged to and the industry they are in. The leaders in Fair Trade handicrafts are hindered in their process toward greater justice through competition and slow and inconsistent orders that prevented them from fully realizing their influence on the development of Bolivian women. The leaders in Fair Trade coffee however are elevated in their process toward greater justice through the leadership spaces that institutional

Fair Trade opens for them, though they feel hindered in their self-determination and autonomy by the certification process.

Viewing the effects of Fair Trade on women's leadership through Sen's capabilities approach shows women bound by restrictions of competition and an inability to "do the things he or she has reason to value" (Sen, 2009, p. 231). Indigenous women coffee leaders want to oversee their own Fair Trade and organic coffee development and women knitting leaders want steady orders and good customers. The producers engaged in Fair Trade experience it in a positive way, though the leaders shoulder the brunt of the hardships, thus putting themselves at a disadvantage. Happiness, Sen pointed out, is a broad feeling of self-satisfaction both personally and within one one's community (2009). An individual's advantage, seen by their happiness, includes one's ability to achieve various kinds of functionings that can be compared and judged against each other in terms of what one had reason to value (2009). A knitting leader's advantage lies with her autonomy, accomplishments, respected place in the community, and economic opportunities she generated. This can be judged against the competition and inability to work together among knitting groups that causes some leaders pain and hinders the achievements by all. Comparing and judging this creates a place where justice is realized by knitting leaders, though even greater justice can be possible with better cooperation.

Using same argument one can analyze the experience of women coffee leaders identifying their advantage as having an institutionally recognized space for their leadership (Fair Trade originations are required to have women on their directorate), the self-satisfaction of having the tools and resources to help others, recognition of their own achievement by family and the community, a place of importance within the community and organization, and decision-making power. What is against her advantage is production restrictions created by a top-down system of documentation and oversight that undermined leaders' power. Comparing and judging the leaders' advantages creates a place where justice is realized by coffee leaders, though even greater justice can be possible with more self-autonomy or cooperation in the certification process.

Rather than criticizing the women leaders themselves, an examination of the structure of Fair Trade intuitions that fosters isolated competition needs to be made. It is noted that only Sr. de Mayo has access to institutionalized Fair Trade that seems to provide a steady source of orders with some guarantee of customer payment and long-term relations. Part of the reason for this is because besides being a

member of the WFTO, Sr. de Mayo's Rodriguez is also the "unofficial" go-to person for the WFTO in Bolivia. When other knitting groups contact the WFTO about membership, they are often directed to Rodriguez. This puts her in a compromised position where she is expected to create opportunity for competition against herself. The US-based Fair Trade Federation does not accept members without an office in the United States or Canada, which makes the organization inaccessible to Bolivia's leaders. There is a limited market for Bolivia's and many other handicraft products. Unlike coffee, handicrafts are a Fair Trade segment that has seen little growth. Fair Trade institutions create a careful model of product development and help communicate this to customers, but they do not work to create equality in markets, build market access, develop more fair and equal buying policies, or build economic cooperation between producers and consumers. This is seen as a lack of reciprocity by producers who feel that they are often working alone.

Sen would argue that it is very *niti* to view justice and women's leadership simply as the pursuit of capabilities and individual advantage, reducing it down to a formula of functionings. This is useful in creating a place for comparison and enables the differences in Fair Trade leadership between handicraft and agriculture to emerge. Taking the *nyaya* broader view of justice and looking at how institutions, consumers, and governments also influence how justice is realized for women Fair Trade leaders creates a new way in which to understand Fair Trade as justice. Sen calls for public reasoning, an open discussion that creates space for all to share and debate ideas, and a functioning democracy, a place where all citizen voices can be heard with tolerance and respect at all levels to be present when building justice. Bolivia's women and men leaders engaged in public reasoning and functioning democracy in the CA process, creating a new constitution for their country. What emerged is a consensus between indigenous and non-indigenous groups, men and women, and people of very diverse ideological, socioeconomic, educational, and geographical backgrounds.

Being from small producer groups (colonies and *ayllus*) and connected through strong, networked organizations such as FECAFEB encourages Bolivia's women coffee farmers to become leaders. The constitution, which favored self–determination and leadership development from the ayllus, as well as Fair Trade's organizational guidelines that requires women's participation on boards and decision-making bodies, provides paths to empowerment. The use of new technologies such as ICT in bottom-up, custom-developed models as created by CIOEC support women's leadership skills building and enable

them to use modern communication tools to share their voice and ideas with others. ICT creates redundant systems where information is openly shared, debated, circulated, and discussed. The training of formally marginalized people is not just about managing a project and covering costs, but about influencing change, teaching others, and activism. This leads to greater democracy, as public reasoning takes place through online forums, cell phone conversations, workshops, meetings, radio interviews, and newspaper stories, as historically marginalized people become important contributors to economic-political conversations. Issues of women's rights, *Suma Qamana*, and social and economic justice are discussed by men, women, intellectuals, youth, elders, decision makers, and rural citizens, all leading to a collective, convoluted understanding of what trade, justice, and sustainability is and how it can be realized. The occurrence during the CA of 400 workshops over five years averaged out to almost 7 workshops a month with hundreds of institutions outside of the national political parties participating and sharing ideas in a form of public reasoning. The importance of having public reasoning, not in a single annual conference, but in hundreds of workshops and may places is critical in creating a space for people's voices to be heard and ideas shared.

Plural grounding, explains Sen, is the understanding of justice from different, often conflicting viewpoints and understanding that together it all created greater justice. Elements of Sen's plural grounding emerge as justice in Fair Trade takes on contradictory forms. For example, in Fair Trade producers follow complicated, time consuming reporting processes to maintain their Fair Trade certification, while in local markets *comercio justo* buying is done based on relationships and mutual commitments to sustainable agriculture. Together this makes a whole, the two poles being control and facts versus the unknown and trust. Andean complementarity enables these contradictions to be understood as part of a more complete whole and does not try to make either approach better or more just than the other, but accepts them both as being a part of what trade is. Plural grounding through its diversity leads to greater justice and has its roots in complementarity.

The structure of Fair Trade coffee, embedded in vast cooperative networks, creates a need for a collaborative leadership style. The similar structure of the OECAS and Bolivia's remote countryside and ayllus, makes the cooperative system of organization easy for coffee leaders to follow. The CA demonstrates Bolivian's ability to organize, manage change, and make leadership decisions for themselves. Knitting leaders benefitted more from the constitution's new laws and protections that supported women's empowerment and community

development, than Fair Trade guidelines, since they always had been independent leaders in their Fair Trade organizations.

In conclusion, Fair Trade brings credibility and strength to women's leadership. Women leading Fair Trade had influence and access to foreign markets. Often representing the most marginalized, they travel abroad, learned how others lived, and shared their challenges and successes. Leaders also have access to financial resources through their work and used these to engage and empower others. Across the industries Fair Trade leaders share similar passions for empowering women and viewed Fair Trade's economic benefits as being the way in which they could most easily engage women in this process. The ability of Andean women to view Fair Trade as complementarity enables greater justice to be experienced and balance in trade relationships to be found.

Supplemental Materials

Public Reasoning

Public reasoning is the creation of space for diverse groups to share and debate ideas rarely heard in an open, public setting. Sen proposes that for justice to be realized people needed to be able to engage more in public reasoning. The process is one that is both large and deep. It is not a single evening meeting a or a few brief discussions, or op-ed articles in a local paper, rather public reasoning is a deliberate, supported process that takes effort and intention to create and maintain.

The Bolivian CA engaged in public reasoning when crafting a constitution that is meant to represent all of the people of the country. Once a colonized nation divided by discrimination, poverty, inequality, and extreme geographical challenges, citizens saw this as their one chance to "set it all straight" and create the country that represented all of them, the Plurinational State of Bolivia. With little else other than the support of an indigenous president 255 publicly elected people set out on an almost two-year journey of discovery, frustration, anger, reconciliation, and collaboration to build the constitution. Thousands of special interest groups, community groups, clubs, organizations, individuals, intellectuals, and politicians vied for attention as all had ideas to share about how the constitution should be. Workshops are held throughout the country at an average rate of seven per month over the course of five years to give all a chance to speak and enable ideas to be heard, debated, and discussed. Television shows, radio interviews, conferences, and meetings created the space

for public reasoning to occur. The process is open and transparent with constituents regularly reporting back to their communities and gaining input from citizens. But it is not easy. A simple two-month process stretched out to a year. A draft constitution was finally presented but was voted down by the same CA that created it. When no decision could be made, the president threatened to shut down the process. The CA and the public asked for more time and it was granted. At one point entire regions wanted to secede from Bolivia and form their own country, another time there were viscous racial attacks by college students on indigenous leaders, in other instances entire groups boycotted the process, and meetings were cancelled due to security concerns and had to be moved to remote locations, yet the CA endured and the process continued. What emerged after almost two years, was something greater than what anyone had singularly imagined. Besides creating more just and inclusive guidelines for the country, new understandings and friendships are formed as diverse groups of people learned to work together, discovered common interests, and learned more about each other's worlds. Socioeconomic, gender, and racial boundaries are blurred.

Exercise

Create your own public reasoning using Open Space Technology (OST)

An OST is an event that that enables a group of diverse people to come together to discuss a common theme and develop action around it. It starts in a large open room with a circle of chairs in the center so all participants can be seated and see each other. Since this is a short exercise in building public reasoning, and not the start of a large community-wide project (though it could be), it is recommended to plan for about 24 participants.

OST was developed by Harrison Owen in the 1980s as a way to enable people to meet and share ideas. It often leads to the developing of new projects, coalitions, working groups and is a creative, inclusive approach to project development and awareness and action building. OST is most effective in situations where a diverse group of people are seeking solutions to a complex and potentially conflicting challenge. It enables participants to think in innovative and productive ways working best when there is no apparent answer to the challenge. Based on African ways of community organizing, the application and use of OST is flexible. OST creates public reasoning in that it builds a

space in which all voices can be heard, participants have equal power to participate and lead, and ideas can be shared and debated.

Most OST events run from one day to three days. Our exercise here is a scaled-down half-day mini-event. Do not be surprised if you find yourself wanting to continue with more OST meetings and get started in new projects that arise from the OST exercise. Giving people a place to speak and be heard is a powerful tool and creates sparks of action. The following are the steps that will enable you to successfully develop and run your own mini-OST.

1. Take a concern that is of interest to students on your campus, or people within your community. It could be about growing the amount of Fair Trade product and awareness on campus, or supporting recycling and alternative energy programs, or creating a place where more diversity can be present on campus. When choosing your interest, use your imagination and think about what is important to the people around you. Choose an interest that is complex and has a diverse group of passionate people associated with it who would be interested in engaging in OST. Student clubs are often good places to start.

2. Draw a mind map of all stakeholders. A mind map is a diagram used to represent words, ideas, tasks, or other items linked to and arranged around a central key word or idea. It visually outlines ideas and is often created around a single word or text, placed in the center, to which associated ideas, words, and concepts are added. Major categories radiate from a central node, and lesser categories are subbranches of larger branches.

Stakeholders are anyone who has interest in or can be affected by your topic. Primary stakeholders are those most directly related with your topic, where secondary ones are those who are indirectly affected by your topic or are affiliated with a primary stakeholder. Make a circle and write your concern in the center. Then think of the parties that would be interested in or affected by your concern. Link them to the circle. Think of who they might be affiliated with that could become a stakeholder for you too. List these on the mind map. Invite the people on your mind map and then invite whoever cares. Make a public announcement of the meeting and let anyone who is interested participate. This is called "voluntary self selection" and is key for making OST work (Owen, 2008, pp. 26–27).

3. Invite participants but do not post an agenda or explain the process, this will develop in its own once the OST begins. Just share a theme presented in ten words or less, a short background or rationale for the meeting in the first place (for example, to explore new

approaches or concerns that people have around the topic). Present the logistics of where, when, and how and assure participants that their time will be well spent. Plan for a three-hour meeting.

4. Space and logistics. Have a large room available with chairs set up in a circle. Meeting in a circle is key for OST to work because it creates a nonhierarchal formation that enables all parties to interact as equals. One wall should be free to use to post papers and ideas on. Be sure that the tape sticks to the wall without damaging it. Three to five breakout rooms or spaces should be decided upon for ensuing discussions and meetings. Food can be made available on an ongoing basis so as not to interrupt the flow of discussions.

5. Supplies needed for an OST are masking tape, markers, sticky notes, and flip charts for the main room and each breakout room or area.

6. There are four guidelines for participants. These can be written as a sign and prominently displayed at the OST and explained:

- Show up
- Be present
- Tell the truth
- Let it go

The four guidelines mean that is it important to have the time to attend events and also to not be distracted by other things happening in one's life. Turing off cell phones and leaving computers behind is one way to address this. Often it is difficult to be truly honest with others, especially when presenting an idea that one knows others might not support. Letting it go refers to the leaving behind expectations or assumptions and now having any fixed outcome in mind. Just being present and open to seeing what happens is enough.

7. There are also four principles that can also be written up on a sign and shared:

- Whoever comes are the right people
- Whatever happens is the only thing that could have happened
- Whenever it starts is the right time
- When it is over it is over

These principles help to relieve facilitators of much anxiety and responsibility for running the event and enables participants to relax into the present and not worry about outcomes or processes. As OST hosts, you are facilitators. The best facilitators are those who remain

invisible, helping groups to access materials, answer logistical questions, be timekeepers, and enable groups to meet and create their own ideas. An OST event essentially runs itself and is always "right."

8. There is one law. The law of two feet, which is also written on a sign and introduced to participants. The law of two feet is very important. It gives participants permission to leave a discussion that is no longer of interest to them and permission to enter into another one that is. It is not considered rude, inconsiderate, or eavesdropping to be stepping into or out of ongoing meetings, rather it is the execution of the law of two feet. Some participants will choose to be in the same group discussion for almost the entire time others will circulate from group to group, it is completely up the participants themselves how they want to be.

The law of two feet can be presented in terms of flowers and pollinators. The more fixed group members are the flowers while the participants who prefer to wander about are pollinators. As pollinators they collect ideas and bring them to other groups, like bees to a flower. This helps new thought to be shared and commonalities to form. It is not necessary for people to be pollinators or flowers, it is more important they follow their instincts and interests and engage in ways that they find meaningful for themselves.

9. Be prepared to be surprised.

10. To start an OST, simply have participants gather in a designated space at a given time. Slowly walk the inner circle, introducing yourself and letting participants get used to seeing each other, relax and get prepared for a half-day together. Introduce the theme, rules, and signs in about 15 minutes. Summarize the discussion topic and immediately engage participants by explaining, "open space is like swimming. You can real all the books and talk until you are hoarse, but to do the job, you just got to get in the water. So let's jump in" (Owen, 2008, p. 99). Invite interested participants to think of a short title for an opportunity or issue related to the OST topic that they have a real passion for. Once a participant has a title, they come into the center of the circle, take a piece of paper, sign their name, issue title, and announce their offering to the group selecting a time and place to meet to further discuss the issue, putting their paper on the Community Bulletin Board (i.e., My issue is___, My name is _____, and the paper is posted on the Community Bulletin Board in the 9:30–10:30 space in room B).

The Community Bulletin Board is a grid with meeting times across the top and rooms down the side (Figure 11.3). Participants write a topic they are interested in hosting a discussion on and post it at the

Room	9:30 – 10:30	10:30 – 11:30
A		
B		
C		
D		
E		

Figure 11.3 Community Bulletin Board for event that runs from 9 a.m. until 12 noon. Thirty minutes are left for opening and closing announcements and summaries. Meetings take place at two different times in five different rooms/spaces.

time and place that they want it to happen. Multiple topics can be placed in the same place and time.

11. Once all topics are placed, the groups enter the "Village Marketplace." This is a place where sorting and consolidation occurs. Participants are invited to come up to the Bulletin Board and sign up for the sessions they wish to attend by posting a sticky note on the spot. Some sessions seem redundant or contain similar themes that can be combined, though having two similar topic groups available if there is much interest in them, enables the groups to be smaller sized, giving people more space to talk and discuss. As soon as people are signed up for a topic they can move to the space and begin engaging in discussion. If a participant begins losing interest in the discussion, they can engage the rule of two feet and revisit the bulletin board to seek other sessions to attend or simply wander from place to place. The facilitator announces five minutes before the end of the one hour-long meeting time to give participants a chance to write up their issues on a paper to post on the Community Bulletin Board. Then the next session begins.

12. Summing it up. After both sessions are completed and issues are posted on the wall around the Community Bulletin Board, participants come back to the main room. Each participant is given ten small sticky circles and are asked to review the issues and vote on the ones they feel are most important to them. A participant can put all ten dots on a single issue or spread then about. After all participants have posted their dots, it becomes apparent which issues are the most important for the group.

13. Closure. Participants are now asked to form a circle and share in a single word or phrase summarizing what they are taking away from the event. Contributors are encouraged to continue working on

issues presented and take their sheets of ideas and stickers as guidelines to move forward with. The OST has ended.

Processing the Event:

The OST creates a place for public reasoning and enables new ideas to flow. How do you see this happening? Were there new ideas forming?

Keep track of your own process. How did your team/class/group feel when organizing the first meeting? How do you all feel now? What are the challenges you personally faced? How did you overcome them?

Did you have an opinion about the issues presented? After facilitating the OST, how do you view your opinions now? Based on your experience how did public reasoning change the way you viewed or understood a topic? What new ideas arose from it? What voices did you hear that you are surprised to find?

Note: This activity was modified from Owen's original OST. Actual OSTs take place over one to three days and can involve several other tools to help build participation and action. More information about Owen's OST can be found at: http://www.openspaceworld.com/users_guide.htm or in Owen's book *Open Space Technology*.

12

Culture and Justice

Introduction

Swiss sociologist and professor Geert Hofstede believes that a country's culture affects its citizens' interactions with people from other countries in five measureable ways. By understanding these cultural differences, he argues, greater communication and understanding is achieved. Fair Trade is a business relationship that involves many complex culture differences. It entails producers from diverse backgrounds interacting with foreign institutions facilitating export product sales to foreign consumers. Fair trade embraces diversity, engages people of many different religions, socioeconomic backgrounds, gender, and abilities and builds bridges that span nations and cultures such as rural to urban, south to north, producer to consumer. According to Hofstede, understanding regional cultural differences is imperative when developing and managing business relationships. In order for Fair Trade to be successful, and realize its goal of "seeking greater equity in international trade" (DeCarlo, 2007, p. 3), an understanding of these cultural differences and an ability to manage them in a fair and just way is necessary.

Fair Traders engage in a constant cultural dance as they maneuver between producers, consumers, governments, and institutions often switching cultural cloaks consciously or unconsciously. Changing cultures is not always easy. Culture is largely experienced intuitively. People learned culture through social cues, peers, teachings, and language. Using tools such as Hofstede's dimensions makes culture visible and enables it to be understood, studied, and explored. By training oneself to see one's own culture it becomes easier to interact with others within their cultures.

The Cultural Dimensions

Hofstede argues that people carry "mental programs" containing elements of their national culture that are developed in early childhood and reinforced by family, schools, and organizations (2011, p. xix). He claims that these mental programs enable people to value what they feel is meaningful. Sen notes that people's capabilities are related to their ability to engage in what they have reason to value. As people's cultures change, so do the things they value and give meaning to. Fair Trade institutions function to create greater justice for all, though Hofstede teaches us that the definition of justice shifts depending on cultural values and beliefs.

In 1968 and 1972, Hofstede, then an IBM employee, conducted a study of corporate employees located in 40 different countries. Employees responded to a written survey that explored differences in thinking and social action (Hofstede, 2001). In all over 116,000 surveys were collected. From this data, Hofstede identified different cultural elements and named the five dimensions, where dominant value systems affecting human thinking could be ordered. These dimensions enabled comparisons to be made transculturally via a universal tool of measurement. The value Hofstede brings to the fields of organizational behavior and intercultural management is the visibility and language he creates by breaking culture down into measureable categories and applying this to individual countries, regions, and social sectors worldwide. The dimensions, linked to people's mental programs, are deeply felt within society from family to school to work though often not visible or definable to the person within the culture (Hofstede, 2001). The dimensions are intuitively known by the person within the culture as the "right way to be," the norm, the expected behavior. When someone acts contrary to these expectations they could be considered odd, uncooperative, aggressive, hostile, rude, of lower intelligence, lazy, or disinterested. Hofstede argues that by understanding and responding to different people's dimensions, a general model of predictable behavior that helps to create a greater understanding of events, individuals, and self emerged. This leads to more justice for all as global relationships develop in a deeper, more culturally sensitive and humane way. "The survival of mankind will depend to a large extent on the ability of people who think differently to act together," Hofstede declared in his seminal book on the Cultural Dimensions (1980).

In Fair Trade cultural extremes regularly played against each other. Approaching Hofstede's dimensions as tendencies of the vast majority rather than a scientific fact of each, enables one to develop new

ways in which to understand and interact with people cross-culturally. The dimensions are a map, guideline, and reminder of appropriate expectations and behaviors for intercultural relationships and help to foster meaningful and mutually beneficial participation. Australian Commissioner Tom Calma explained when addressing intercultural challenges in Australia, "Cultural differences should be recognized, respected and incorporated into policies that attempt to provide members of new and emerging communities with meaningful social and economic participation in our broader Australian community" (Somby, 2008). Recognizing and respecting cultural differences leads to a greater realization of human rights and justice. Sen recognizes the effects of society and culture on one's experience, role, opportunities, and ultimately their realization of justice. Applying Hofstede's dimensions to examine the experience of Bolivia's indigenous women engaged in foreign institutional Fair Trade illuminates stark cultural differences between Fair Trade producers, institutions, and consumers.

Hofstede refers to organizations as "symbolic entities" in that they function according to models that one imagines to exist based on cultural norms, structure, rules, guidelines, and premises. They can be located within a physical location, but the organization itself is culturally determined. So institutional Fair Trade, as an organization is its own entity that creates a culture that it takes with it to its different projects around the world. Fair Trade culture is also regionally based and with Fair Trade institutions originating in Europe and the United States, the cultures of those countries are mostly deeply reflected in its dimensions. However, the producers do not hail from European or US cultures and have dimensions that are very different from the organization that they are working with. In addition, Fair Trade institutions support consumer who come from similar cultural backgrounds as the institution. Far Trade is what Hofstede describes as an "intercultural encounter." Intercultural encounters, explains Hofstede, are "as old as humanity itself" occurring back in tribal times and continuing today. Intercultural encounters can be peaceful or hostile and all include processes of comparison, prejudice, and stereotyping.

A Dimensional Analysis

Though Hofstede extended his initial Cultural Dimension study to include 50 countries worldwide, Bolivia is not one of them. He studied Peru, which has a similar cultural history and structure to Bolivia. Peru and Bolivia share Andean roots, histories of Spanish colonialism

followed by democratic reform, neoliberalism and a period of decentralization with greater inclusion and recognition of marginalized people, and new constitutions bringing greater individual rights to citizens. Peru is economically stronger than Bolivia but from a cultural perspective, its Cultural Dimensions can be used as a good representation of Bolivia. Fair Trade institutions can be represented though the US Cultural Dimension since more than half of all Fair Trade takes place in the United States, the United States hosts two of the dominant Fair Trade intuitions, and the United States greatly influences trade policies and norms worldwide. Figure 12.1 is the comparison of the cultural dimensions of Peru and the United States, representing the culture of Fair Trade producers studied here and the Fair Trade export environment they respond to.

Peru's dimensions are similar to the dimensions found in most Latin American countries, and the US dimensions are similar to those found in Europe. It is these similarities that generate much criticism for Hofstede, in that some feel he over simplifies culture, but these similarities are also significant in that they illuminate a north-south cultural dichotomy that needs to be recognized and understood in order for greater justice to be realized. Fair Trade takes place in the center of this dichotomy with institutions and customers coming from the highly developed US-European northern regions on one side, and producers coming from the lesser developed global south, on the other. As Fair Trade straddles these two vastly different worlds, understanding how and where culture meets, is significant for understanding Fair Trade as justice.

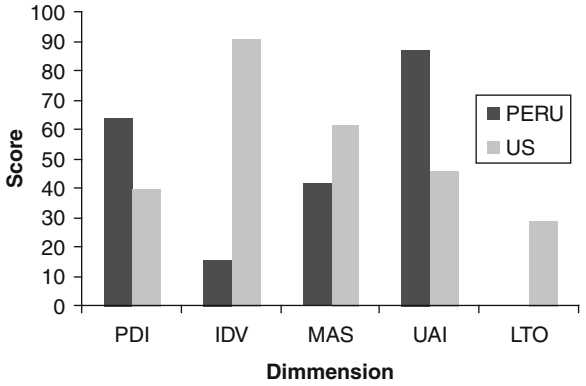

Figure 12.1 The cultural dimensions of Peru and the United States (G. Hofstede, personal communication, February 12, 2013).

PDI: Peru and the United States

Peru is representative of an Andean nation such as Bolivia. Understanding its dimensions builds a roadmap to how people are expected to be; what is considered culturally appropriate, polite, and valued; and what it is not. It affects the way in which people understand and interact with each other and the success of a relationship.

The first of Hofstede's dimensions was power distance (PDI) that was "the extent to which the less powerful members of an organization and institutions accept and expect that power is distributed unequally" (Hofstede, 2001, p. xix). The average PDI worldwide is 53. Peru at 64, is considered intermediate to high (G. H. Hofstede, G. J. Hofstede, & M. Minkov, 2010). This means that business relationships in Peru demand a high degree of respect and subordination. These ideas of subordination and high power authority comes from one's family where parents teach children obedience and there is a male-favored hierarchy. The father is expected to make the decisions and lead the family. Sons are expected follow their path. Children are expected to work and not be engaged socially until a later age. At school education is teacher-centered, presented by an authoritative instructor. Students are dependent on teachers and treat them with respect. Parents support teachers on discipline issues and together keep the students in order. In the workforce there are tall organizational pyramids meaning there are many layers of management with a few, high-paying elites, or dictators, making the decisions for all. Subordinates expect to be given tasks, orders, and work with minimal input of ideas. The ideal boss is a "well meaning autocrat" who sees themselves as "benevolent decision makers" (Hofstede, 2001, p. 107).

After reading about Bolivia's new transformation to a highly collective, indigenous-based model of harmony and duality, this type of dominant ruler structure seems out of place. However, Bolivia's transformation occurred recently and in response to such a top heavy, unequal, centralized system of power. Dimensions are dynamic and can slowly change. The Peruvian PDI has its roots in the Spanish colonization where imperial rule dominated the indigenous people. When I first arrived in Bolivia in 1996 at the start of LPP, the Peruvian PDI presented here is firmly in place in Bolivia. Men dominated the households, uniformed school children sat in orderly rows as non-uniformed teachers lectured to them, business owners in large, plush offices are attended to by uniformed secretaries and messengers with little direct contact with workers, and government elites made decisions and had

the wealth. Today some of that structure is still present. There still is some hierarchy within organizations, though many of the large corporations have been nationalized and are now ruled in the collective style of the indigenous-led government. There is a degree of respect for elders and people of authority that grew as decentralized systems created new places for leadership in the countryside. However these leaders represent the needs of the local communities and are more collaborative than authoritarian in their position. While there still exists high levels of PDI in the classroom, households are beginning to become more collaborative as economic needs and opportunities bring women into the workforce and the constitution create new rights, protections, and leadership roles for them.

The United States however has a low score on its PDI. This Hofstede attributes to the US premise of "liberty and justice for all." He sees the value of liberty and justice in the United States as the basis for the US focus on equal rights, the sharing of information through organizations, and its style of open, direct, participative communication. A country with a low PDI raises their children as equals to the parents, grants them leisure time, and expects them to interact socially at an early age. At school, teachers also treat students as equals presenting student-centered education with a two-way exchange of information between the teacher and child. In the workforce, one sees a decentralized decision structure with less concentration of authority. The ideal boss is resourceful and relies on the support of others. Leadership is collaborative and the organization hierarchy in place for convenience rather than domination. In the United States, the PDI in the workforce is slowly growing as the leadership of large corporations gain more power, higher salaries, and become less collaborative.

What PDI differences mean in relation to Fair Trade is that producer group leaders are more prone to be polite order takers than innovative, creative collaborators. This does not mean they are not creative, they are in fact very creative and innovative, but in order for this to be realized, a Fair Trade buyer needs to specifically ask for input and give permission and a place for creativity and innovation to happen. Fair Trade's focus on training, collaboration, and improvement creates space for producers to interact, collaborate, and move out of their high PDI structure. Information is shared and producer opinions and ideas solicited, given importance, and acted upon. This leads to more innovation, which is not often found in high PDI environments. High PDI still exists in the titles such as *Senora, Licenciada, Directora*, that producers put in front of foreign Fair Trader's names and the respect and authority they show to Fair

Trade visitors. However, as relationships grow, these became less formal and the PDI lowered. According to Sen, increased equality and engagement in public reasoning leads to greater justice. It could be argued that Fair Trade institutions lowered producer PDI's by engaging in collaborative decision making, transparency and more equal distribution of earnings, and grew producers' justice.

IDV: Peru and the United States

Individualism (IDV) is seen as the opposite of collectivism. It describes the relationship "between the individual and the collectivity that prevails in a given society" (Hofstede, 2001, p. 209). Hofstede found the world slowly becoming less collective with its average IDV being 20. Peru with a low IDV value of 16, like most of Latin American, African, and the Arab nations is highly collective. Low IDV countries value "we" over "I" and the family over the individual. Hofstede explains that in collectivist societies people belonged to "in groups" that took care of them in exchange for loyalty. This can be seen in the Andean system of *ayllus,* the smallest community group that all were an important part of. Collective countries approached the political economy more collaboratively with a greater presence of state-run businesses and services and political power exercised by interest groups. Bolivia's Solidarity economy and CA are examples of low IDV approaches. Low IDV countries have a tendency for unbalanced political power, a rigid social class system, large differences between sectors of the economy, and a risk of domestic intergroup conflict. Looking at Bolivia's recent past these elements are all present as the majority rural indigenous gained power over a small group of ruling elites. From a business perspective people from low IDV countries are attracted to large companies and see their involvement as one of a family member. Workers aspire to conformity and prefer security over autonomy in their position. Bolivia's favoring of cooperatives, associations, and unions is indicative of their low IDV.

The United States at 91 has the highest IDV worldwide. The US values of individualism are rooted in the pioneering spirit that colonists brought to the country hundreds of years ago. Hofstede explained that the United States is a "loosely-knit society" in which people are expected to look after themselves and their immediate families. Unlike low IDV societies that have a strong grounding in place and space, there is a high degree of geographical mobility in the United States. Due to this mobility, US citizens are accustomed to working and interacting with strangers. Consequently, people in the

United States easily approach others to obtain or seek information. In companies with high IDV, employees are expected to be self-reliant and take the initiative on projects and problem solving with hiring and promotion decisions are based on personal achievement.

Fair Trade institutions' commitment to sustainable development and community empowerment often based on existing community and group structures, compliments the values of producers' low IDV countries. This makes Fair Trade partnerships relatively easy to form. However low and high IDV beliefs can cause friction among producers and Fair Traders too. For example, certified Fair Trade guidelines are a point of contention for many producers. These guidelines originated from high IDV countries that favored individualism. Though Fair Trade coffee certifiers required producers to be organized into large cooperatives and organizations, they wanted reporting from individual members. This causes stress for producer groups because in a low IDV culture, the valuing of one over the group is seen as rude, suspicious, or insincere and meant that there is mistrust in the group. Certifiers from a high IDV culture understand individual reporting as a way of demonstrating integrity, participation, and see it as a source of pride in that highlights individual achievement. Much discussion has taken place worldwide from low IDV producers and high IDV certifiers over the logistics and fairness of Fair Trade certification reporting guidelines with few results. Viewing this as a cultural rather than a logistical challenge creates new ways in which to understand the dynamics and needs of members from different IDV cultures.

Fair Trade institutions are not identical. Though all share similar values of increasing opportunity and growing justice, they approach it differently. For example, not all Fair Traders are certified, and guidelines, regions, industries served and approaches differ among institutions. The diversity of approaches from Fair Trade's independent institutions creates choices and options that help to grow justice. Sen emphasizes the importance of "taking note of social realizations and not only the demands of institutions and rules" (Sen, 2009, p. 70). Understanding the dichotomies of individualism between producers and institutions via Hofstede' dimensions creates a place in which justice can grow.

MAS: Peru and the United States

Masculinity (MAS), the opposite of femininity, is related to the distribution of emotional roles between genders. The world average MAS is 55. Peru is a feminist country with a MAS of 42. Its dominant social

values include caring for others and quality of life. This is reflected in the Andean nations' development of *Suma Qamana*, "good living for all" supported on all levels from local community to national government within the CAN countries of Peru, Bolivia, Columbia, and Ecuador. A feminine society, explained Hofstede, is seen in cultural uniformity and the sharing of resources. People are motivated by enjoying what they do and attaining a quality of living rather than individual achievement, power, or prestige. Feminist societies prefer human contacts and family over recognition or wealth. In Bolivia, for example, ambitious people are viewed negatively and labeled as nervous, aggressive, and untrustworthy. The United States has a MAS of 62, which makes it a masculine society. The United States deeply values competition, achievement, and success, defining success as winning or being the "best-in-the-field" (Hofstede, 2001). Winning is deeply integrated into US culture being promoted by the family, in school and present both in work and leisure pursuits. In the United States, an ambitious person is celebrated for their efforts at being the best, working to achieve status, and make financial gains. High MAS US citizens tend to "live to work" and display and speak openly of achievements. Conflicts in high MAS countries, noted Hofstede, are resolved at the individual level with the goal of winning.

A common theme of contention within Fair Trade is that of competition. While Fair Trade is set up to create carefully crafted, stable, long-term economic opportunities for disadvantaged producers, it functioned within a world of highly competitive trade. The institutions themselves came from high MAS countries where competition, achievement, and success are integral parts of their cultural values. However producers from low MAS countries do not value competition and see it as a culturally destructive feeling that pits individuals against each other and disrupts the equilibrium and balance at the core of the Andean way of being. In lieu of this, Fair Trade institutions take responsibility for the marketing of Fair Trade goods. However, this creates an innate dependency as producers rely on Fair Trade institutions to negotiate markets on their behalf. In addition, these markets are not always stable or easily accessible creating instability and uncertainty for producers. Fair Trade institutions' softening of competition for producers is a major point of contention for Fair Trade critics who see Fair Trade as being protectionist, ineffective, and disruptive to the natural flow of markets. Fair Trade's markets are in high MAS competitive countries with high MAS consumers who have high expectations of products, wanting them to be immediately available with clear, definable benefits. Fair Trade's emphasis on valuing production

left little funding for marketing and promoting products that created a disadvantage for Fair Trade goods as they competed alongside heavily promoted conventional brands. Situations of greenwashing and akrasia emerged as consumers became entangled in a battle of choices and ethics. The cultural dynamics between high and low MAS countries runs deep with citizens responding to differences with a visceral distaste.

Sen wrote of the importance of recognizing positional perspectives when pursuing justice. By making the MAS dynamic more visible and broadly understood, greater cooperation could be achieved. For example, within Bolivia's low MAS culture, Fair Trade is realized in local markets as a way for citizens to help support fellow citizens through direct trade and sustainable, local buying. At the same time, within the US's high MAS culture, the same promotion of local markets as a way for citizens to help support fellow citizens through direct trade and sustainable, local buying is also being realized. Local is not seen as competitive, however when a foreign good is introduced, it is viewed as competition, interfered with the balance of local markets, and is expected to "earn" its place in the larger marketplace. Taking a broader view of competition and examining the positional perspectives surrounding it, seeing what economists called "externalities" such as the social and environmental costs of a product, can reduce the effect of MAS cultural differences. Fair Trade products would "win" in their careful, environmentally balanced, ethical production. Fair Trade institutions would also be relieved of their role as product promoters and market safeguarders and producers would enjoy greater equality in market access. By engaging positional perspectives to create cooperation instead of competition, greater justice can be achieved by all.

UAI: Peru and the United States

Uncertainty avoidance (UAI) is defined as the way in which one tries to reconcile uncertainty about the future that Hofstede points out "is a basic fact of human life with which we try to cope through the domains of technology, law and religion" (2001, p. 145). The world average UAI is 60. Peru with a high UAI of 87 is similar to fellow Latin American countries that share a cultural distaste for ambiguity and future unknowns that are perceived as threatening. Citizens of high UAI countries rely on rules and elaborate legal systems, which Hofstede noted in Peru, are regularly breeched through corruption and nonenforcement. While Hofstede's observations on corruption

may be valid, I believe Peru, and most likely Bolivia's, high UAI is culturally linked to the indigenous ways of being that viewed the past, present, and future as a continuous moment that one is always immersed in. This idea of movement and continuity create an element of stability where change is seen more as a passing moment than a time-stopping event. This mindset is seen outwardly as resistance and inaction in times of change and can be construed as a high UAI. For example, for years there is mounting evidence of impending environmental disasters from climate change on Bolivia, with its delicate ecosystems rooted in rapidly diminishing tropical glaciers. Quietly and illegally Bolivians move onto "unoccupied" lands, organize themselves into "urbanizations," and demand government recognition and services, which it grants. This type of action could have prompted Hofstede to conclude "the individual's need to obey these laws [of land ownership and property rights], however, is weak." In lieu of this, Bolivians calmly explained that their ancestors lived where it is most beneficial and a time of urban migration and agricultural change is just a part of their larger way of being.

The United States had a low UAI of 46 that Hofstede categorizes as "uncertainty accepting." This meant that there is greater acceptance of "new ideas, innovative products and a willingness to try something new or different" (G. Hofstede, personal communication, February 12, 2013). This value of newness and innate curiosity is seen in US-led innovations in technology, business practices, agriculture, and education. US citizens embrace freedom of expression and are more tolerant of different ideas and opinions. Unlike the low UAI Bolivians, US citizens do not have a collective ancestral past and instead are constantly reinventing themselves and their futures. High UAI countries such as the United States do not require a lot of rules, which would hinder innovation, and are less emotionally expressive than higher-scoring cultures.

Fair Trade institutions come from high UAI places of innovation and change that openly embrace ideas of Fair Trade and create niche spaces of ethical consumption where new ideas about trade take hold. Producers, operating from a deeper, collective place of "how it has always been," respond to institutional Fair Trade with hopefulness and skepticism. Their low UAI perspective made them question some of the Fair Trade's product and design ideas. For example, after ten years, Bolivia's coffee growers who are tea drinkers are just starting to show interest in learning how to roast and brew coffee and are now petitioning the government to create a national coffee consumption campaign to teach this habit to other Bolivians. Most Bolivian

producers cited the innovation and new ideas that low UAI Fair Trade institutions brought as being "positive, fun and something to learn from" (Stenn, 2010a). The expansion of ideas and opportunities brought by institutional Fair Trade can be interpreted as growing an individual's advantage by building skills and functionings through innovation. Growing ones advantage increases ones capabilities and, according to Sen, helps to build justice.

LTO: Peru and the United States

Long Term Orientation (LTO) was developed in 1985 and is based on values of Confucian thinking that focus on humanism, community, kindness, modesty, and honesty. LTO refers to how long a culture can accept delayed gratification for material, social, or emotional needs. The world average LTO is 40. The United States has a low LTO of 29, making it a short-term oriented culture. This means that the United States embraces more immediate goals seen, for example, by the filing of quarterly profit and loss statements by businesses and the common practice of seeking a "quick fix" to a problem. Individuals in the United States value fast results, explains Hofstede, and want to have "absolute truths" in all matters.

If an LTO was conducted in Peru, or Bolivia, it would most likely be quite high. Bolivians take the long view in situations, often citing their five-thousand-year-old pre-Inca ancestry and thinking of the future in terms of what will be left for the grandchildren. Families and communities make decisions based on the needs of future generations. For example, sustainable agricultural practices are being followed not because of the market demand for organic products, but for the future that organic farming leaves for their children with land that is healthy and not chemically altered.

Fair Trade straddles two worlds. Producers function, presumably, with a high LTO working "little by little" over many years to create carefully crafted products and goods. Fair Trade institutions rooted in low LTO cultures hold annual meetings with regular goal setting and reporting. Fair Trade institutional guidelines however evolved slowly at the producers' pace with little changing over time. As a result the industry evolves slowly, with much debate and consensus occurring before changes are made. The one exception to this is FTUSA, which recently left the collaborative Fair Trade model for one this is more reflective of US-culture values of low LTO, high MAS, high IDV, and low PDI and low UAI.

Combining Culture

Though Hofstede offers models of five distinct cultural dimensions, culture cannot be compartmentalized and experienced as separate pieces. Culture is multidimensional and dynamic, with dimensions combining and conflicting in new and different ways creating great cultural depth and complexity. Culture is also conditional taking on different degrees of itself depending on the situation. For example, Hofstede found church and religious groups to be collective (low IDV) and feminist (low MAS) with a high LTO even if they are present in a high MAS, high IDV, and low LTO society. The church has its own culture that prevails across countries. As members enter into the church, they assume the cultural identity of that organization, even if their country culture is the complete opposite. Individuals within a society wear their culture in two layers like that of one's undergarments, topped with a cloak. One can wrap their culture with other cultures, a process known as adaptation, which takes place, for example, when entering a church or successfully interacting with culturally diverse people, but underneath one still wears their own core culture. Though there are some institutional and regional variances, a country's core culture is relatively universal with citizens carrying similar mental programs creating a unified, nationally accepted cultural experience.

Understanding Peru and presumably Bolivia's dimensions collectively, creates a place of contrasts. Economic inequality though present in Bolivia barely tolerated while authority figures, representing social inequality, receive full respect for their power (high PDI). Economic inequality exists from the imperial and neoliberal era, representing benefiters from privatization and Bolivia's old system of elites, though it is coming under deeper scrutiny and criticism as the state continued to nationalize industries and services, redistribute land, curb corruption, and promote solidarity economy and *Suma Qamana*. Bolivia's economic collectivism is captured in its low IDV that balances its high PDI.

The cultural dimensions (high IDV and high MAS) that enabled societies to highly value earnings, success, advancement, and innovation are not present in Bolivia, a quieter Andean nation that preferred harmony, human relations, and the well-being of the community over individual gain and wealth. Yet Fair Trade comes from a highly competitive, aggressive culture where personal gain is the sign of success. This creates new dynamics for the people working in Fair Trade. Fair

Trade institutions in their guidelines, embrace the cultural dimensions of improving the well-being of many, over one's individual success (low IDV, low MAS). By doing so, it creates a place of cultural failure for participants from places such as the United States, which value individual achievement measured in monetary terms.

Bolivia's presumably high LTO and high UAI, leave little room for rapid growth and scaling up. By embracing ideas of the past, planning for the distant future, and resisting new ideas and change, Fair Trade develops slowly. Producers create their goods in balance with the world around them. This means taking ample time off for holidays, family gatherings, national celebrations, and life events. A death, birth, wedding, political rally, all take precedence over a customer order. Culturally, work is secondary to the community and collective. Contrast this to the work-centric, fast paced, highly innovative, changing, competitive, growth-driven culture of short-term gains and immediate returns (low UAI and low LTO) and there arises another cultural dynamic. Fair Trade buyers often refer to themselves as bridges because of the dual roles they take as they negotiate trade between two vastly different cultures. To compensate, many working in Fair Trade handicrafts warehouse back supplies of goods. They work in a futures model creating and paying for goods long before market sales to ensure adequate supply for filling orders from low UAI and low LTO customers who want goods delivered quickly for "just in time sales," a method of selling goods as needed. This creates higher risks for Fair Trade buyers as they not only assume the cost of maintaining large inventories but also provide a needed cushion for producers who create goods at their own pace, and retailers who want goods "on time."

Culture and Justice

Defining cultural dimensions illuminates the cultural challenges that Fair Trade, as a partnership, attempts to negotiate. Fair Trade guidelines include the vocabulary "sustainable," "strengthen," "improve," "empower," and "promote" and are culture bridges created to accommodate vastly different cultural factors. The guideline of long-term relationships (high LTO) creates economic stability while culturally building trust and family-like relationships between producers and buyers. Creating opportunity for producers addresses the high UAI and high PDI that culturally combine to prevent producers from questioning orders, making suggestions, pursuing new ideas, and taking the initiative. This leads to the realization of empowerment,

improvement, and promotion. This is why the Fair Trade training is cited by participants as being so important, besides the development of basic skills; through its grounding in US culture it encourages independent thought, creativity, and individual input (high IDV) that enhances the trade relationship between producers and their US culture–based counterparts. Fair Trade is a complex cultural dance that seeks greater equity in international trade. Applying Sen's tools of justice enables one to understand this cultural dance in a broader scope and understand they ways in which culture enhances or challenges the realization of justice.

Supplemental Materials

Intercultural Communications Awareness and Skill Building

Hofstede presents clear cultural differences that have a direct impact on the effectiveness and quality of a trade relationship and affects how justice is achieved. Though cultures change little, one's ability to work and communicate interculturally does. In order to effectively work interculturally, one must first be able to see themselves within their own culture and then let go of these cultural beliefs or at least refrain from judging them against others' as new cultural beliefs are experienced and learned. This process is known as a shift from ethnocentrism to ethnorelativism (Bennett, 2004). Ethnocentrism is the belief that one's cultural is the "right one," with customs and behaviors going unquestioned. An ethnocentric orientation in seen in the avoidance of cultural differences, a preference to the known and routine and a belief of differences as being bad, threatening or indicative of lesser intelligence. Ethnorelativism is the experience of one's customs and behaviors as one of many ways of being, without a value judgment. An ethnorelative worldview entails the seeking of cultural differences with a high degree of trust and optimism in others and an enjoyment of the diversity in other ways of being. The more ethnorelative one is, the more easily and effectively one moves through cultural boundaries and communications.

This exercise is designed to first to build awareness of one's own cultural identity through terms and instruments and then to enable readers to try out different cultural identities in a role-play in which intercultural trade situations are approached first through one's own cultural identity, and then through a more ethnorelative approach. The results are then discussed.

The Developmental Model of Intercultural Sensitivity (DMIS) is a scale of ethnocentrism to ethnorealtivism presented in six stages.

These stages from the most ethnocentric to the most ethnorelative are: Denial → Defense → Minimization → Acceptance → Adaptation → Integration (Bennett, 2004, p. 63).

The following is a brief description of the six DMIS stages:

- Denial—The denial stage is seen in one's disinterest in cultural differences even when brought to their attention. It is the assertion that the patterns, values, beliefs, and behaviors that make up their culture are unquestionably real or true and there is no other way. People see others as foreigners, immigrants, threats, or something simply to be tolerated. To move beyond denial one must begin noticing and confronting cultural differences. Even within their own culture, there are often oversimplified categories of "race" that do not represent the myriad of cultural variances within that category.
- Defense—The defense stage is where cultural differences become more visible but are seen as inferior or backward to the dominant culture. There is an "us versus them" mentality expressed in ethnic jokes, discrimination, dislike for the other culture or "helping" of the other culture to become more like the dominant one. Bennett observes that "in the international domain, *Defense* is clearly the predominant orientation of 'nation-building'" (2004, p. 65). This is evident in the struggles between producers and Fair Trade institutions as culturally based models of certification and trade are presented as the "right way" to create fairer trade. It is also present in development theory focused on creating countries that mimic commerce and values systems of dominant cultures, such as valuing the achievement of wealth and efficiency over the well-being of the earth and community. There is a reversal of defense often seen when one has spent a longer period of time within another culture. This puts the nondominant culture in the position of "correct and better" with the person's own dominant culture being perceived as "bad and wrong," often as a brutal oppressor. This reversal does not transform defense, it just juxtaposes it, encompassing an equally oversimplified, polarized worldview. To move beyond defense one must recognize the common humanity of people from other cultures.
- Minimization—The minimization stage is when elements of one's own cultural worldview are seen as universal. It is the idea of people being a "melting pot" where all cultural differences meld together in one universal stew. The belief that all people share similar learning styles; spiritual orientations such as the belief in god or karma; want a participatory, benevolent, democratic government; and value the lifestyle and the dominant culture are indicative of minimization.

Minimization prevents important cultural differences to emerge and the privileges of the dominant culture to not be observed. It is often seen as a stage between Denial/Defense and the forthcoming Acceptance/Adaptation. To move beyond minimization, the recognition of one's own culture, or cultural self-awareness needs to be developed. This is often done through self-assessments, cultural inventories, and simulations. Three such tools are presented later in this exercise, a measurement of one's high and low context and cultural simulations provided by Hofstede. Many other tools are also available and mentioned at the end of this section. The next three stages of DMIS are more ethnorelative where one's culture is experienced in the context of other cultures.

- Acceptance—The acceptance stage is where one's own cultural identity is seen as just one of many equally complex worldviews. This involves developing a self-reflexive perspective to experience others as different from oneself, but equally human. Elements of acceptance are seen in Sen's idea of open impartiality, the ability to view multiple sides of an issue that are often culturally driven, without them being considered conflictive, but simply different. Individuals may know cultural aspects and languages outside of their own culture, or be supportive of others' cultures but still not be in the acceptance stage. Acceptance does not mean agreement; in fact agreement may be a form of reversed defense. Being in acceptance means that the context and meaning of these cultures and languages are understood and cultural complexities recognized. To move beyond acceptance one must develop a self-reflexive perspective that enables one to examine their own opinions and beliefs about others both within the others' culture and their own. It does not require someone to be a cultural expert of the others' culture, but instead to develop the ability to question and examine a situation from different perspectives within different cultures.
- Adaptation—In the adaptation stage the experience of another culture yields perception and behavior that is appropriate to that culture. One develops empathy, humor, and behavior that is not merely cognitive but also "a change in the organization of lived experience" (Bennett, 2004, p. 70). Cultural responses become intuitive and automatic as one becomes fully immersed in the culture. This does not mean that one has replaced their own culture or worldview with another's, a process known as "assimilation," but rather that they have adapted an additional cultural perspective to their own. They have enhanced their own cultural being and expanded their worldview. Authenticity is important when understanding adaptation. A

culturally adapted person often defines themselves more broadly, noting, for example, as in the case of this author, that one has the humor of an indigenous woman, the market savvy of a New Yorker, the critical thinking of a Jew, and an Italian's love of lively shared meals. Together these cultural behaviors make up the authentic self (Bennett & Castiglioni, 2004). To move beyond adaption, one must resolve their authenticity, incorporating multicultural beliefs and actions as part of one's self.

- Integration—The final stage of ethnorelativity does not involve an improvement in intercultural competence but rather a fundamental shift in one's definition of cultural identity. It is when one becomes solidly placed in the peripheral of two more cultures, where they are neither accepted nor rejected by any. Bennett calls this phenomenon "cultural marginality" and explains that it has two forms: an encapsulated form, where one's cultural separation is experienced as alienation; and a constructive form, where one's movements in and out of cultures are seen as necessary and positive. Integration, he explains, is not "better than" adaptation, especially when working interculturally with others, but it does describe a growing population of people who are members of nondominant cultures, long-term expatriates, and "global nomads" (2004, p. 72).

The natural default for people is to be ethnocentric and well situated within one's own culture. As events, experiences, and personal motivation cause people to grow their intercultural awareness and abilities, they move up and through the DMIS stages. The model is dynamic and complex. One stage may not be completely resolved for a person to begin working on the next stage. Stages may be approached and mastered consciously though guided instruction, institutively as one responds to changing cultures around them, or in a hybrid approach, encompassing a little of both. DMIS is experienced as something that is grown. Participants will usually not go back a stage in their DMIS, even if they resist or reject further cultural work. The purpose of the DMIS is to model how assumed underlying worldviews move from an ethnocentric to a more ethnorelative state, generating greater intercultural sensitivity and the potential for more intercultural competence (Bennett, 2004).

Measuring Your Communication Style

American anthropologist and cross-cultural researcher Edward Hall created a high and low context inventory tool that enables users to

examine their tendencies to approach situations from a particular cultural perspective. By seeing one's place on the scale of high versus low context, one can anticipate how and why they react to certain situations and understand how their behavior affects their intercultural communication. The higher one's score (positive or negative) is in either context, the more embedded they are within that cultural tendency. As participants move toward lower scores or even scores of zero, they can more easily adapt to cultural differences. One's high-low context is dynamic; as self-awareness grows so does one's ability to improve their intercultural communication skills.

Role Play

To understand how cultural differences play out in trade relations, Hofstede offers a cultural simulation exercise in Chapter Nine of his book *Exploring Culture* (Hofstede G. J., Hofstede, G. & Pendersen, P. [2002] Intercultural Press Inc., Maine USA). By negotiating trade deals using different cultural perspectives, culturally based successes and challenges arise. Some combinations may result in great friendships and easy trade relations while others make it difficult to even being a conversation. As you experience the different cultural combinations think about how it feels playing the role of each culture. Which cultures were more comfortable? Which were less? How were the group dynamics within your culture? Were there instances where it was difficult for the group itself to engage in its cultural presentation? Why? Are there instances in your own culture where people have to adapt to organizational cultures that are different from their own? When? How? What is the benefit to being able to engage more easily in different cultural situations, even just within one's own country?

Intercultural Reflection

Review the DMIS, low and high context ideas, and Hofstede's role-plays. Is intercultural communications something that can be learned? What is the benefit of learning this? How might greater cultural awareness and training affect one's ability to function among cultural variable within their own group? How might it affect trade relations between countries? How do you see intercultural communication affecting one's ability to grow justice?

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