

**THE FAIR TRADE INITIATIVE: SUSTAINABLE COMMERCIAL
OPPORTUNITY OR DEVELOPMENT TRAP**

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Abstract

Fair Trade has emerged as a promising window of opportunity for countless producers from the developing world. Though Fair Trade constitutes a mere 3 per cent (estimated) of total global trade, its growth of 42.3 % over 1997- 2003 has been quite impressive. The mission and vision of Fair Trade has raised expectations of poor producers and committed consumers, one topical issue being identifying multiple ways to broad-base and scale up fair trade to support poor producer groups across the world. It is in this context that the present paper provides a case study from India for such broad-basing of Fair Trade movement in terms of strategically covering larger number of producer groups, where women Self-Help Groups (SHG's) including artisan/weaver groups would constitute the primary bases. The paper describes some existing opportunities for directly connecting Fair Trade with new social groups of poor producers, especially those of women Self-Help Groups and the opportunities for addressing sustainable livelihoods, poverty reduction and attainment of MDGs. Though the case study is on India, the findings of this paper are broadly applicable to the countries of South Asia such as Bangladesh, Nepal, Pakistan and Sri Lanka where many self help groups are vibrant and performing.

Introduction and Background

A Fair Trade declaration signed by 96 members of the International Fair Trade Movement for UNCTAD XI meeting in June 2004 states that “millions of people in 48 countries of Latin America, Africa and Asia benefit from Fair Trade relationships”. Fair Trade has emerged as a promising trading path for countless producers from the developing world. Though Fair Trade constitutes a mere 3 per cent (estimated) of total global trade, its growth over 1997- 2003 has been quite impressive. Between 2000 and 2003 Fair Trade labeled sales worldwide grew by 42.3 per cent. In the present world of unfair trading relationships, the importance of linking trade with development and poverty reduction cannot be overemphasized. More so, as the Doha “Development” Round of WTO negotiations stand frozen since 24th July 2006 and as Nobel Laureate Stiglitz and Charlton (2006) in their book *Fair Trade for All*, abundantly argue and demonstrate how a radical and realistic new model is required where trade promotes development and fair trading relationships.

With gradual broadening of its network and coverage, some topical issues for Fair Trade include:

- How to adopt strategies to broad-base such trade and contribute towards poverty reduction?
- How to emerge as an alternate pathway to the hegemony of the world trading system under WTO and the whole gamut of unfair trade practices?
- How to transform its road map from participation of a minuscule proportion of poor producers from the developing world to a much wider participation so as to ensure social justice and broad-base poverty reduction?.

It is in this context that the present paper provides a case study from India for such broad-basing and scaling up of Fair Trade movement in terms of strategically covering larger number of women producer groups, where women Self-Help Groups (SHG's), would constitute the primary base in addition to artisan groups and weaver groups. The case study indicates the existing opportunities and how viable strategies can be formulated for broad-basing Fair Trade and forging direct partnership with poor women producer groups together with establishment of fruitful linkages and partnering with Government, civil society and private sector. The paper describes the existing opportunities for directly connecting Fair Trade movement with new social groups of poor producers especially women self-help groups, the context, the items, the market research, the road map, the possible management of the supply/value chains, the value addition in terms of socially cohesive groups, attaining MDGs and enriching the cause of Fair Trade. It also indicates the opportunities for addressing sustainable livelihoods and social justice at the local level, issues in poverty alleviation and attainment of the MDGs. Though the case study is from India the lessons are widely relevant to the whole of the South Asia – Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka and have potential applications across the poor countries of the world.

The purpose and objectives of this paper are as follows:

- (i) Knowledge and Experience Sharing –Sharing of grassroots' producers' perspectives from India
- (ii) Possible Strategies and Action Plan for broad-basing Fair Trade and Social Justice
- (iii) Potential Thrust Areas for Fair Trade and Supply/Value Chain Management
- (iv) Ways to make Fair Trade more Holistic and Impacting on Livelihoods, Poverty and MDGs
- (iv) Exploring Market Research Frontiers in Fair Trade

The Rationale

In many parts of South Asia -- India, Bangladesh, Nepal, Sri Lanka Pakistan, grassroots development strategies of Government – Non-Government Organizations – International Non-Government Organizations (GO-NGOs-INGOs) are focusing on innovative ways and mechanisms for empowering poor and marginalized groups – especially women's groups and other vulnerable groups. Many Self-Help Groups (SHGs) have been mobilized (by government, NGOs and INGOs under different programmes) based on the principles of self-help towards attaining common goals and objectives.

Many of such social groups are performing well, which implies increased social capital, bonding, social platform and social opportunity. Women's SHG's are becoming a vibrant model in South Asia for socio-economic empowerment and strengthening of social capital of poor groups. It is emerging as dominant route for developing both productive and social capacity of poor groups – and one window of opportunity is that those talented, hard working and productive groups could be engaged as potential partners in Fair Trade movement. The essence of the present paper is to explore ways to link women producer groups/SHGs from India with Fair Trade movement for holistic and lasting ways of poverty reduction and sustainable livelihoods and draw lessons on that basis for other poor groups in South Asia and also across the world.

Almost all women SHGs have a key objective of attaining sustainable livelihoods based on group work, mutual trust, and camaraderie and group spirit based on a road map towards reaching holistic development. However, the weakest part of SHG's is trading and marketing and it is in this context that Fair Trade is directly relevant. Such women producer groups could provide a wide platform for broad-basing and scaling up Fair Trade movement through linking the latter to larger number of women groups and others poor groups across the countries of South Asia. It is not difficult to assume that productive capacity of women's SHGs, both actual and potential, if linked to Fair Trade movement would result in a win-win situation and mutual benefits. For example, for women SHGs it would imply potential gains in terms of better marketing opportunities, sustainable livelihoods, social justice, skill enhancement, poverty alleviation and attainment of MDGs. The opportunities for Fair Trade are solidarity, social linkages, wider base and social capital of women producer groups from poor categories across the countries of South Asia.

Rationale for Fair Trade includes:

- Poverty conditions and poverty traps
- Limited markets for produce of poor producers
- Low price, low wage
- Exploitative conditions – middlemen eating away the profit
- Wide fluctuation in prices
- Lack of organized inputs
- Lack of access to credit
- Limited knowledge of production frontiers, legal rights and opportunities, policy –issues and marketing

Context of Case Study - Poor Producer Groups of women from West Bengal

A brief overview of the State of West Bengal in India will help to contextualize the contents of the paper. Situated in the Eastern part of India, the State of West Bengal has a population of 82 million (as per 2001 census), which accounts for 7.8 % of India's total population. With a literacy rate of nearly 70 per cent and with 72 % of its people living in rural areas, the state has a huge informal sector where informal enterprise workers constitute 70 % (rural) and 47 % (urban) of total enterprise workers while informal household workers make for 82 % (rural) and 45 % (urban) of total household workers. A forerunner in the implementation of agrarian reforms, such as land reforms and minimum wage legislation, West Bengal has a 3-tier system of decentralized governance. It has experienced high growth in agricultural productivity and marked decline in rural poverty since 1977 though reduction in urban poverty has faltered with stagnant industrial growth since 1980s. However, despite fall in rural poverty, some studies have observed that the State's initiative in promoting social opportunities in the rural areas in terms of livelihoods, health and education has been "mixed" with high regional variations. Amongst the social classes, casual wage labourers have remained one of the poorest in the rural sector with rapid increase in the number of agricultural labourers and marginal/small farmers unaccompanied by proportionate rise in employment opportunities in the farm/non-farm sectors. Studies show that the poverty situation of the scheduled caste, scheduled tribe and female-headed households indicate greater degree of impoverishment including

feminization of poverty than is indicated by the more conventional head-count ratios based on the official poverty line.

Who are the Poor Producer Groups?

Poor households live in different localities under diverse agro-ecological-social conditions. In the study villages the poor groups were facilitated to do their own social analysis of the village and come out with criteria for differentiating such groups in terms of poor and non-poor. Since the poor groups do not own many assets the emerging criteria include size of land owned, period of food availability from one's own land, type of house, period of wage labour etc. There broadly emerged 5 social groups in rural West Bengal as listed below.

- (i) Destitute household (poorest of the poor including women-headed household),
- (ii) Ultra poor household doing wage labour
- (iii) Poor household
- (iv) Middle class and
- (v) Better-off household

The first 3 groups, which constitute the range within the poor groups, are described below.

(i) (a) ***Destitute household with thatched hut - Ultra-Ultra poor*** – They have small thatched hut, have low food security, go hungry when sick or no work and face acute seasonal shortage of food and some get food as alms. Many have no land, no asset have/not have homestead land and have not received *patta* land provided by the state. Those with access to local forest have high dependence on NTFPs and sell trees, twigs, branches, leaves, NTFPs; they catch fish and exchange for food/paddy; some beg; work as labourers; borrow and pay through wage labour, and work in others' homes. Some have handicapped and sick family members and are socially invisible and isolated from mainstream government programmes and NGO activities. Very few are covered under government housing scheme. Health of family members is a recurring problem. Children do not attend school and adolescent girls cannot be married due to lack of funds for dowry and other expenses.

(i) (b) ***Destitute women with no house - Ultra-Ultra poor women*** - (especially widowed, deserted and elderly unmarried women) – They generally have no land, no house, live in other's houses; have low food security; go hungry when sick or without work; also face seasonal shortage of food and get food as alms. Those living near forest areas have high dependence on wild food and NTFPs. Many make plates from Sal leaves, undertake wage labour, sell firewood, beg, collect and sell dry leaves, work as midwives and work in others' homes. Very few are covered under government housing scheme though they can buy subsidized food if they have money. This group includes deserted/divorced women, widows, sick, aged, those incapable of work, elderly, handicapped women. Some of them have small children. They are socially invisible and excluded from local development process and mainstream development programmes.

(ii) ***Wage Labourer - Ultra poor with little/no farm land*** – They live in mud houses with thatched roofs and have 2-3 months of food available from home farming. There is acute seasonal scarcity with little or no irrigation facility. Many do not have *patta* land (from government) and many of those having such land are not cultivable and have mortgaged them. Those with access to local forest also depend on NTFPs. All work as daily wage labourer, some migrate, some others make mats, handicrafts and other items. Many men and some women work in fields, sand quarries and brick fields throughout the year. Many also sell trees and sell fish to buy food. They borrow from farmers, brick- field owners, mining/construction contractors and repay them later through hard labour. Their health status is problematic and gets affected by seasonal diseases. Many of their children do not attend school and those attending easily drop out. Some of them are members of SHGs, engaged in handi-work and produce marketable items. Their social status is low and they have little or no influence on decision-making at local level.

(iii) ***Moderate Poor, Marginal farmers*** – They generally live in mud houses with thatched/tinned roof and ordinarily have 6-9 months food available from farming. Those having access to local forest

collect some NTFPs and wild food. Some have around 1 to 4 *bighas* (*bigha* is 1/4th of a hectare) of land. Since farming does not sustain throughout the year this group is also engaged in wage labour of different types. Some lease land/take land on lease for cultivation. Many women from this group are engaged in different handi-work such as mat making, rope making, processing food items and also cultivate vegetables. They collect fuel wood from local forest for domestic use and for selling them in the market. They have some ability to take care of health expenses when necessary though recurring expenses become difficult to bear. They mostly send children to primary and to middle schools and participate in mainstream development processes. Many of them are engaged in handi-work, produce marketable items and are beneficiaries of different schemes, both government and NGOs. Many are members of SHGs and cooperatives and producer/user groups.

Who are the Actual and Potential Producer Groups to be linked to Fair Trade Movement ? -*The poor producer groups include groups (ii) and (iii) as above, and the potential ones would include groups (ia) and (ib) as above, provided their capacities in the productive age group are built over time; basic needs fulfilled; their access and rights over livelihoods-based resources established in clearly defined manners; social protection extended; and their productive capabilities recognized by the concerned decision-makers.*

Items Produced by Women Groups/Others – There are different types of items produced by women SHGs, artisan and weaver groups. All of them are being produced and traded in different markets where the middlemen play a big role. Exports constitute a minor part of the produce. Items under Fair Trade are a minuscule proportion and there are major hurdles in packaging and linking markets. *For e.g. one fair trade importer in US remarked that she had to stop importing terra-cotta jewelry (though they constitute attractive items) from West Bengal because packaging was weak with too many breakages.* The potential of Fair Trade is yet to be recognized. Women SHGs have demonstrated better capacity to produce different items in practice and have high future potential. Some items produced by women's SHGs and other groups are listed below.

Rural groups – (i) Mat making from date palm leaves; *Tasar* (fabric) cloth; *Tasar* (fabric) thread; Tant (textile) weaving; Wood craft; Earthen craft; Stone craft; Bamboo craft; Mat making; *Babui* (a type of wild grass) rope making; *Muri* (puffed rice) preparation; Rice preparation; Fish-net weaving; *Kantha* (a traditional stitch) stitching; *chumki* (bead) embroidery; Sewing (Cloth stitching) and embroidery; *Bidi* making; *Agarbati* (incense stick) making; *Belmala* (fruit bead necklace) making; Detergent soap making; *Papadam* making; Jam/Jelly/Pickle making; Leaf plate making; Processing and packing *masala* (spices); Football making; *Khat* (bed) weaving; Making iron materials; Soft toy making; horticulture, floriculture Others

Urban and semi-Urban groups - Embroidered Items; Preparation of *Kamani* (kite – sticks); Kite pasting; Cutting slipper strip; *Tasar* (textile) weaving; Mat making; Making puffed rice; Making rice from paddy; *Bidi* rolling; Readymade garments and tailoring; Making lac/other buttons; Soft toys' Incense stick; Detergent shop powder; Sandals and Shoe; Food processed items-jam, jelly, pickles, *bori* (nuggets made of pulses), *Papadam* etc.

Actual/Potential Items for Fair Trade - *Amongst the above items, those produce offering big export potential include textiles (different types of designed fabric and dress material), hand-made crafts (a wide range of decorative items), fancy hand bags, jute items, home décor, designer sandals, intricately designed jewelry (different types), leather products, processed and semi-processed food items, tea and embroidered items for garments and home décor, floriculture, horticulture, organic farming products.*

Perspectives of Women Self Help Groups - Problems and Constraints

There are more than one lac (100000) Self Help Groups and high number of informal groups in West Bengal. Many of the poor social groups have been formed into SHGs under different programmes though much remains to be done. Some problems and constraints as mentioned by the poor producer groups are described below.

- (i) *Lack of Work Space and Supporting Infrastructure for Handi-Work* – Poor households have utter lack of space for handi-work including space for producing goods, stocking raw materials and inventories, and finished products. Most of them also do not have access to any institutional support for accessing finance, purchasing raw materials and marketing of products. There are major constraints and stressful conditions in the system in which poor households operate for producing and selling handi-work as sources of their livelihoods. There were many examples cited in the field. *One example was that of corruption and leakage where the local policemen regularly extracted money from the silk cocoon makers in Bengal Gram village in Malda district when they carried their produce to the traders in the market. As if this was not an enough burden, the middlemen in the market had evolved shrewd ways of cheating the producers of their entire profit and forcing them to sell their produce at a very low price and thereby making them incur virtual loss.*
- (ii) *Low acceptance of the SHG produce* - Public acceptance of products made by poor groups is lower than similar branded produce, which flood in the market. Many-branded produce are not qualitatively superior, some are duplicated. Social group members feel that they maintain reasonable prices and think of poor consumers and keep very low margins. Despite their sincerity there is low acceptance of their produce in local markets.
- (iii) *Marketing Network* - Networking for marketing is not satisfactory. Some SHG's manage to set up stalls in local fairs/exhibitions, however many are not able to have access to good markets and market intelligence and are at the mercy of the middlemen or trader.
- (iv) *Lack of Backward Linkages and Training* – One example is that of difficulties in carrying out incense –stick making. It is one of the preferred activities, which is relatively simple without much technicalities involved. It has a potential market with regard to consumers purchasing for religious purposes. But groups are under severe constraints due to lack of raw materials, advance skills and appropriate training for attractive packaging.
- (v) *Micro credit and Banking Issues* - There are serious banking constraints such as the behavior of the local banks, the attitude and language used by the employees are a discouraging element. Banks take long time for credit rating of SHG's, which hampers progress and sincere efforts put in by groups are not recognized.
- (vi) *Lack of Capital* - SHG's do not have much capital, especially the women, those excluded and the tribal people. Many do not have surplus and cannot afford to save. Their daily earnings are low and uncertain, not always sufficient to procure even bare minimum food. Some poor do not have time and money to contribute towards regular membership obligations of SHG's.
- (vii) *Lack of Security* - For some groups it is extremely difficult to take up any regular activity for example many excluded tribals, especially those who dwell in dense forest areas. Their local sale limited because local people are too poor to purchase.
- (viii) *Rural Artisanship/Crafts-making and Poverty Trap* – There are innumerable women and men artisans/craftsmen spread across the state of West Bengal engaged in different types of craft-making such as woodcraft, stone-craft, *kantha* stitching, *bel* (fruit bead) necklace, pottery, *sholar* (pith) work, basket making, weaving mats (from date palm leaves), handloom, spinning and weaving *tasar*, *tant*, goldsmithy, silversmithy, blacksmithy, etc. In addition, *lac* work and making fishing nets are also found in some places. Though such groups are innovative and creative, many of them are facing structural problems in terms of commercial viability with regard to rising input costs *vis-a-vis* product prices and market uncertainties. The artisans/ crafts persons are finding it

increasingly difficult to sustain their traditional activities due to specific problems and constraints that they are faced with. See Boxes 1 and 2. Though the State of West Bengal arranges fairs/exhibitions towards providing marketing support the artisans/craftsperson face serious problems with regard to market uncertainties, delayed payment on goods sold, lack of capital and also the middlemen -buyer nexus, which appropriate much of their profit. Some of the artisan -groups have been organized as SHG's under SGSY and have received bank loans. In absence of adequate support for production and marketing items of art/craft, the artisans/crafts persons are struggling to survive in terms of their livelihoods. For instance, the potters (*kumor*) of Jhalda -II block of Purulia district of West Bengal are no longer engaged in making earthen pots (due to problems in acquiring raw materials, low selling price, lack of space to stock raw materials and finished goods etc.). They have turned to *bidi* making as a major source of livelihood.

Box 1- Hurdles for SHG's of Crafts Persons Making *Bankurar Ghora* (wooden horse)

In Karmakar hamlet, village Beldangra, Bonkathi, GP, Block: Bankura-II, Bankura district, those making *Bankura's ghora* formed two groups about 10 years ago. These groups are – Shayamli Swanirbhar Dal and Pushpo Shriti Swanirbhar Dal. Each SHG group consists of 20 individuals 10 men and 10 women. They received some grants under DRDA Scheme. These groups prepare artistic wooden craft, mainly wooden horses, idols and other decorative items. However, they are facing several problems in their business. There was no adequate space to work and to store wood craft. This problem has been recently taken care of by the local governance. They do not get any order from the government agencies. The middlemen get orders and collect wooden handicrafts at a very low rate. The artisans do not know the market where they can sell their produce and get reasonable return. They do not have their own outlets for selling their items. Middlemen control their work and price. The price of wood, wood, spirit and color are increasing but the price of produce is almost constant for the last ten years. The village artisans feel that training in modern wood – craft to refine their skill and help to directly market their goods would help to improve their present conditions.

Source: From Field Notes of Madhumita Parihari, 2005.

Box 2 – Potters' Constraint in Panchmura Village in Bankura

The village Panchmura in Taldangra block in Bankura district is famous for pottery. All inhabitants of Kumhar hamlet are potters. These people construct several varieties of earthenware – from daily use materials to colorful decorative items. The produce are earthen vessels, such as palm/date-juice container, large water pot, small water pot, and various festivals specific items like idols -god, goddess, earthen lamp, home decorative materials etc. In various seasons, special earthen pots are prepared as there is market demand. The artisans are required to collect earth for pottery .It is very difficult to find suitable earth for the work. They have to bring it from far off places in trolley, which increases the expenses on raw materials. The water collection is also a difficult task, as sufficient water is needed to mix earth to make fine clay. The tube well is located far and people are forced to stand in a long queue, which is time consuming.

Women arrange the earthen pots in line, color and place in fire and finally arrange them to store them carefully in their homes. Women and children need to collect dry leaves and wood as fuel for the raw produce. Forest is far away and collection of fuel is time-consuming. The cost of kerosene oil has increased to Rs. 18 per litre and it is difficult to continue work in the night with such expensive light. Hence, they are forced to stop the work. There is electricity in nearby hamlets. They had submitted money for procuring electric power lines, but it has been returned for some reason As regards the market it is the middlemen who dominate and collect decorative items at very low price. Some of their suggestions are:

- In the months of April-May (Baisakh) due to severe heat, the work cannot be done. If some other work is given, it will benefit the potters.
- Hand pump should be installed in the area for pottery.

- Government land should be given to potters for using its clay as raw material.
- Support is required to market earthenware at reasonable price.
- The woman groups can be trained for preparing some new items such as door bells, flowerpots etc. to be sold in different market

Source: From Field Notes of Madhumita Parihari. 2005

- (i) *Weavers and Handloom Industry* – Even though the global textile market no longer have quotas, the weavers face depressed markets, low wages, weak marketing linkages and high traders' profits, which have adversely affected their livelihoods in the handloom industry.
- (ii) *Fall in Sericulture Prices - Policy problems exist for sericulture*, where prices received for cocoons have fallen sharply whether due to increased competition from imports or other factors.

What do the Women Producer Groups Recommend?

The women SHGs have the following points to recommend.

Provision of Work Space, Raw Materials and Marketing Linkages - If the government provides work space for SHG/group activities and go-downs it can solve their problem. Proper support is required for handi-work in terms of common work space, raw material and marketing linkages, micro credit and other facilities. The local governance bodies, CBOs and NGOs can facilitate such support. A common space is required for handi-work, with sitting, storing and sourcing arrangements for producing different items.

Opportunities for Capacity Building and Training - With proper guidance, encouragement and financial support, the self-help groups can improve their situation. If some advance training facility is provided for skill-based livelihoods for example wooden carpentry work, bamboo handicraft work, electric repairing, paper work then that can help them to upgrade their skills and produce quality items. Cottage industries and handicrafts need encouragement at all levels. Training should be provided to increase the quality of items produced such as those of incense sticks and also for attractive packaging. Regular training centers for SHGs are required to be built at the Block or sub-district level.

Horticulture, floriculture, pisciculture- related activities - Training should be provided for developing and nurturing plantation and care of fruits, plants and trees and processing. Organic farming could help. Action on this front will help to improve the quality of the fruits and fruit products, which will eventually fetch better prices in the market and also increase yield leading to livelihood improvements. Cold storage should be constructed, either to store fruits and fruit products during off season/s. Those tea garden, which have closed down should be revived in the hilly districts such as Jalpaiguri or alternative sources of livelihoods be created.

Better Access to Micro Credit – There needs to better access to micro credit and cheaper and quick loans without collateral.

Establishing Linkages - Proper atmosphere for business must be created. The producer groups need to be supported to market their products, which include appropriate market intelligence, support in terms of product design and establishment of market linkages. SHGs should be linked up with other development programmes and different institutions. There should be discussion amongst local people for re-starting and activating those cooperatives which have closed down.

Advertisement of Products - The SHG members suggested that the advertisement is urgently needed for convincing the authenticity of the produce. Advertisement is an expensive affair and there are no

funds meant for this activity. If the government supports advertisement of items by wall writing/painting, television, radio, it will enhance their market.

Utilization of Deficit Period - During no-work, lean seasons or deficit period, producer groups should be attached with some work like employment guarantee scheme etc.. Date-palm trees should be planted on wasteland and on ridges, with usufruct rights guaranteed to women so that women could get enough leaves to make mats and make better living. Better levels of wages need to be established. The government could prescribe implementation of its minimum wage of Rs.62/- per day for labour.

Box 4 – Entrepreneur Women are Moving Fast

The SHG, Ma Sharda Swam Sahayak Dal in village Sarberia, Block Garbeta -3 in Paschim Medinipur is working fast for income generation. Their products are a range of items such as soft toys, agarbattis (incense sticks), jelly, jam, pickles, detergent soap and woolen garments. They are very particular in the quality and cost of their produce. They are establishing network for marketing by setting up stalls at several places such as Kharagrpur, local government and district level fair. They have their own stall in Chandrakona road. But they feel that the advertisement of their produce is needed for wider circulation and for this purpose the support of government administration is very much required by the SHGs.

Source: From the Field Notes of Meera Jayaswal

Recommended Policy/Strategies and Do-ables

Key recommendations related to the above discussion imply a holistic approach towards poverty reduction and sustainable livelihoods and exploring the potential of the latter through the vehicle of Fair Trade and export markets. **In this regard, the government could have two basic objectives in view and accordingly support essential steps in those directions.**

- (a) Reduce general mass poverty on a lasting basis and help to bring about improvements in quality of life; and
- (b) Build blocks towards facilitating sustainable livelihoods, help to diversify sources of livelihoods and enhance capacity of poor groups towards sustainable exports through Fair Trade.

For the first objective of reducing mass poverty and improving quality of life the following could be recommended.

Objective 1 – Towards Reducing Mass Poverty and Improving Quality of Life on a Lasting Basis

(i) **To Connect ICDS, Sanitation (TSC), Nutrition Primary Health, Literacy, Drinking Water and Women's SHG's with Millennium Development Goals (MDGs)** - The MDGs include halving income-poverty and hunger; achieving universal primary education and gender equality; reducing under-5 mortality by two-thirds and maternal mortality by three-quarters; reversing the spread of HIV/AIDS; and halving the proportion of people without access to safe water. These targets are to be achieved by 2015, from their level in 1990. In many villages, setting up and facilitating women thrift groups and nutrition, sanitation and home economics classes would help to improve thrift habit, family health and home economics. Up-gradation of skills in handiwork will help the women groups to add value to their products and realize better prices. In terms of social infrastructure such as clean drinking water, access to toilets, improved sanitation and reduced mortality rates, the MDGs could be adapted at the local level for setting up milestones for development interventions to impact upon local quality of life and help to reduce rural poverty.

(ii) **Health Care Initiative** - In terms of health care initiative, the cluster of villages could have a cadre of para-health workers, self-supportive dispensary with drug revolving fund, reproductive health services, mother and child -care services, HIV/AIDS prevention services and a counseling centre for youth.

(iii) **Increasing Participation of People, CBOs/NGOs and Empowerment** – At the moment the space for civil society and views from the grassroots is quite limited. The state of West Bengal should actively promote the participation of poor households in decision-making with regard to planning for resources and spatial location of different assets. The State has also to create more space and involve NGOs and CBOs in decision-making process related to development activities in villages, especially where such institutions have comparative advantage.

(iv) **Right to Information** – The right to information act should be practicable enough for the local people to press for facts and figures for any information relevant to them. The State should encourage dialogue and consultation of development functionaries and people's representatives with the people for development decision making. This would encourage pro-poor development initiatives by ensuring pro-poor location of basic assets/services. More accountability of school staff, teachers, doctors and local development functionaries are expected with implementation of this right to information.

(v) **Training centre-cum-demonstration plots**, if located in the villages, could become focal points for human capacity building to update skills for different types of handiwork and weaving, paddy cultivation, growing nurseries, compost making, farm manure, growing and harvesting fruit trees, commercial trees, agro forestry, tobacco and other crops, cash crops, vegetables, raising fish ponds etc. Such a centre can also run training courses in preventive health care, sanitation, nutrition, reproductive health, home economics, business economics, non-formal education, HIV/AIDs, gender issues and other important topics for women groups and youth.

Objective 2 – Towards Building Blocks for Sustainable Livelihoods, Diversifying Livelihoods and Enhancing Capacity of Poor Women Groups for Sustainable Exports through Fair Trade

For the second objective of facilitating opportunities for sustainable livelihoods and Fair Trade one major recommendation is that of increase in access to assets by poor producers, creation of related infrastructure and marketing opportunities. Some key actions recommended in this regards are as follows.

- (vi) **Support to Productive Handi-work, Development of Related Infrastructure and Marketing** - The study shows that there is a huge variety of handiwork-related activities in different locations, which act as major sources of livelihoods for the poor and the disadvantaged households. Such types of handi-work relate to non-farm activities, off – farm activities and on-farm activities including agro-processing activities etc. With fall in agricultural returns/productivity and high risk the role played by handiwork as sources of gainful employment for the poor and the disadvantaged is crucial and holds great promise as pathway out of poverty and fair trade. Though fair trade is still a minuscule proportion, most items hold promise as items of Fair Trade.
- (vii) **Items to Promote under Fair Trade - Actual/Potential Items for Fair Trade** - Amongst the above items, actual exportable produce offering big potential include textiles (different types of designed fabric and dress material), hand-made crafts (a wide range of decorative items), fancy hand bags, jute items, home décor, designer sandals, intricately designed jewelry (different types), leather products, processed and semi-processed food items, tea, organic products, tribal designer items, embroidered items for garments and home décor, floriculture, horticulture, organic farming.

- (viii) A **Work Shed–Plus Initiative** is being recommended for Fair Trade on the following basis.
- Work shed-plus initiative to provide and institutionalize infrastructure (electricity, space, drinking water, toilet, crèche, medical facility and marketing facilities)
 - It will help to link better to markets, add value and create synergy
 - It will provide professional work environment, enhance professional competence of poor households and their ability to negotiate as groups

ROAD MAP for Work Shed–Plus Initiative

Each cluster of villages will have 4 types of social infrastructure

- (i) Group Work Shed – a common work shed to carry out activities
- (ii) Group Workshop/Garage - common open space and ovens/furnace
- (iii) Group Storage Space – A common storage facility
- (iv) Group Marketplace - Market space reserved for poor at different levels - local, sub-national, national and global.

Group Work Shed can have the following aspects.

- Community shed or a work station where the poor producers can come face-to-face to do their handi-work and also stock their raw materials and tools/gadgets
- Room for exhibition of products produced by the poor and
- Office room from where the necessary secretarial and administrative activities can be done with ease,
- Bankers/government officials/NGOs can visit the producers
- Fair traders/Wholesaler/retailer can visit this place
- Hold meetings with the producers for purchasing items

Roles of Various Stakeholders

There are different roles to be performed by different institutions/organizations – the government, the NGOs, the private sector, the Fair Trade organizations etc. Different partnerships for different activities are required. There will need to be close inter-face between government, private sector, civil society and Fair Trade organizations – retailers and wholesalers. The following are some of the elements though not exhaustive.

- Mapping of such women producer groups
- Need assessment profiles of each group
- Providing social equity back up
- Facilitating single window credit and other assistance
- Skill up-gradation
- Providing work shed plus support
- Improving supply chain of raw materials
- Improving value chain
- Bettering technology and technical knowledge
- Product listing, cataloguing, product patenting, product diversification, product inventory management
- Market intelligence on pricing, market support
- Others

Partnering of Government, Civil Society, Private Sector, Fair Trade organizations is warranted under the suggested holistic model. Their specific roles could be supportive though varied as described below.

Role of Government - The Government would act as a catalyst for poverty reduction and human development of women producer groups and potential women producer groups. The current producer

groups would be from the poor groups under wage labour and moderate poor (see section 4) and the potential ones could be initiated amongst the younger members of the poorest households. In addition to efforts towards attaining MDG goals, the government would need to map and grade the women producer groups and provide necessary social and physical infrastructure to the women producer groups and also work towards attaining MDG goals. The government is expected to provide the overall umbrella for the poor women groups to progress towards the MDG goals, enhance their capacity to link with markets and with different institutions such as NGOs, Fair Trade organizations, private consumers and traders. The government can certify women producer groups based on selected criteria and also have criteria set up for Fair Trade retailers and wholesalers. The government along with civil society and producer groups can help to set up computer portals/kiosks for storing market intelligence and accessing commercial information and networks. The government can support more groups to join the Fair Trade network as producers.

Role of Civil Society – The NGOs would facilitate, strengthen and link up groups, help to augment social capital, provide micro finance, run crèche, build capacity of groups to understand markets and demand patterns, help to fill gaps in linking groups to markets, provide feedback to groups, help groups to negotiate fair terms and conditions of trade, monitor progress of groups, status of governmental support and dissemination of information and transparency and accountability of government institutions.

Role of Private Sector – The private sector would provide market intelligence, procure goods produced, supply raw materials and technology, provide training in designing products, provide labeling, packaging skills and help in pricing and branding of items.

Role of Fair Trade Organizations - See below.

Potential Role of Fair Trade Organizations

Fair Trade can contribute immensely towards alleviating poverty of women producer groups in the South Asian countries (in case of West Bengal, India in this particular case study) and thereby alleviate poverty of the poor households, in general, by providing them reasonable and fair sources of export-oriented livelihoods in addition to other livelihoods that they normally pursue. Such a model can also be replicated in other countries where poor women groups could be supported through capacity building to become producer groups and then be linked to the Fair Trade movement.

Possible Role of Fair Trade Network

At present though there are limits to markets covered by Fair Trade, it is possible to strategize ways to broaden market opportunities under Fair Trade. Based on the above case study, some possible steps, which the Fair Trade movement groups could undertake, are indicated below.

- Support holistic approach to strengthen women producer groups for poverty reduction
- Be a key stakeholder with government, NGO and private sector for work shed plus initiative
- Support capacity building in supply chain management
- Support product listing, product patenting, product diversification, product quality control and inventory management
- Support pricing, market support and help to reduce role of exploitative middlemen/trader

Fair Trade Movement could internalize some of the perspectives shared by women producer groups in this paper and harness existing opportunities for broad-basing Fair Trade and addressing sustainable livelihoods and social justice at the local level, poverty alleviation and attainment of MDG goals.

Since Fair Trade markets at the moment could pose an artificial constraint in terms of size and absorption capacity, it is important to expand such markets through social marketing strategies. From the demand side of the consumers from the developed countries such as USA and Europe some

steps could be taken for furthering the cause of Fair Trade. Some strategic steps to promote the vision of Fair Trade as listed below.

- Establish tool for need assessment of consumers from the developed and the industrial world and the scope for FT products
- Conduct Action Research to study the relationship between FT and poverty alleviation and its various dimensions
- Undertake geographic mapping and product mapping of FT in the major markets so to identify links with poor producer groups worldwide
- Apply appropriate tool for social benefit – cost analysis of FT and poverty reduction
- Provide resources for raising consumer awareness
- Provide resources for supporting poor producer groups with market intelligence in FT and appropriate infrastructure and communication
- Provide resources for establishing a market clearing mechanism in FT – at the moment it is too scattered
- Provide resources for organizing, collating and published data on FT and having a data base on FT
- Establish advocacy tool for WTO to grant special and preferential treatment to FT products

This present paper is essentially based on a case study. However, there could be a larger goal of broad-basing Fair Trade so as to work towards alleviating poverty through attainment of MDG goals, linking and connecting with women producer groups and indigenous communities across the globe, building their social, productive and technical capacities, providing them with market intelligence on Fair Trade, on industrial countries' markets and market hubs to get connected and to diversify and sustain their livelihoods. At present there are many invisible barriers to Fair Trade in the markets of the industrial countries. A user-friendly manual could be prepared by Fair Trade Network organizations for such women producer groups, which could be used by such exporters to be engaged in Fair Trade movement. There is also a need for advocating the role which government could play to support women producer groups in their countries. Both international development agencies and international NGOs could play a catalyst role to advocate to the governments of poor countries on the enormous potential and opportunities on linking women producer groups with Fair Trade movement and the rich dividends that could be yielded in the process. The international development agencies could provide appropriate funding for the stakeholders to collaborate and perform their roles in an effective manner and thereby lend support to women producer groups as active participants in Fair Trade. There should also be provision for preferential and special treatment to Fair Trade items and easy terms on market access by the governments of the industrial countries and this should be later taken up at WTO to provide selected Fair Trade items with preferential and special treatment. An appropriate agenda of items could be decided by responsible NGOs and labeling etc. issues can also be taken up to resolve issues under sanitary and phyto-sanitary agreement. The Fair Trade consumer groups and lobbies too, can play a significant and direct role in global poverty alleviation, achievement of Millenium Development Goals and for creating enabling conditions for poor producer groups to become robust and exporters exporters in global Fair Trade.

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Annex 1 - The Type of Field Research Conducted

The field research was conducted to provide a “quick and dirty” analysis of livelihoods-related and Fair Trade-related issues through the voices of the poor. The specific objectives of the field study were as follows.

- To ascertain the methods by which the poor producers are currently securing their livelihoods by using the various assets (human, social, physical, financial and natural) that are available to them.
- To list the options the poor producers have and constraints they face in using these assets for securing livelihoods and the potential for Fair Trade.
- To understand the role of NGO's/GO's/Private Sector/other civil society organisations in supporting livelihoods of poor producers to utilise assets sustainably.
- To analyse the systems and structures that are available to the poor producers to enable them to secure their preferred livelihood opportunities and outline ways to reduce poverty.

Field Inquiry

Field inquiry for the above field research by Development Tracks RTC (www.developmenttracks.org) was based on the methodology and the principles of Participatory Rural Appraisal/Participatory Learning and Action (PRA/PLA). PRA/PLA is a widely used methodology for an interactive process of social development throughout the world. It is a way of learning from the people, with the people and by the people. Though the methodology of PRA/PLA was the foremost in deciding the basis of field research, the approach adopted was that of Participatory Rapid Rural Appraisal (PRRA). "PRRA is a variation of PRA, which is widely used where information is required by external agencies but must be expressed by the communities themselves in their way and with their own emphasis." (UNDP: 1996). PRRA is sometimes used to provide illustrative views of community for future use in development activities and provides entry points for more intensive community participation. *It is important to recognize that PRRA is neither exhaustive nor conclusive. It is rather indicative and seeks to embrace the diversity of situations and diversity of people's own experience and perspectives.*

Field inquiry for the field study included some generic steps (as listed below) though there was scope for enough flexibility in the steps and hence, deviations from the steps were expected in the normal course of fieldwork depending on local situation at hand. Following review of secondary data the generic steps for participatory interactive sessions at the local level were as follows.

- Rapport building, warming up with poor groups
- Exploratory interactive sessions with poor producers – women and men
- Exploratory overviews
- Topical probing
- Probing for gap filling
- Validation of results
- Sharing with different stakeholders