

Promoting Fair Trade in India





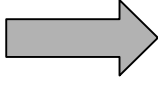
Fact Sheet India !

- India has the largest concentration of poor people in the world: it is home to 433 million people (of a total population of 1 billion) who live below the poverty line: this constitutes 36% of the world's poor.
 - It ranks 127 out of 173 on the Human Development Index (2005).
 - We need large scale measures to impact the poor !
 - We need to provide work to youth, find resources for small producers, and promote small industry to generate employment and gainfully utilise the human resources
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Poverty is part of our geography. It doesn't shock anyone.

Also, it is a huge 'monster' and one doesn't want to think about it. Every one does their little bit, help the maid etc. Tackling poverty on a large scale, we feel that only the Government can do ! People are willing to help the poor through trade, if they won't have to compromise on quality, price, reputation or convenience.



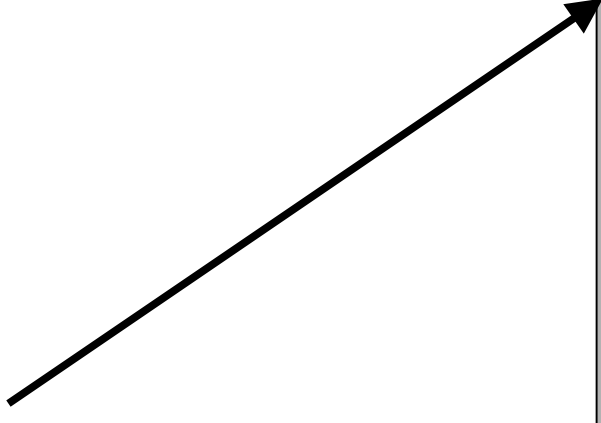
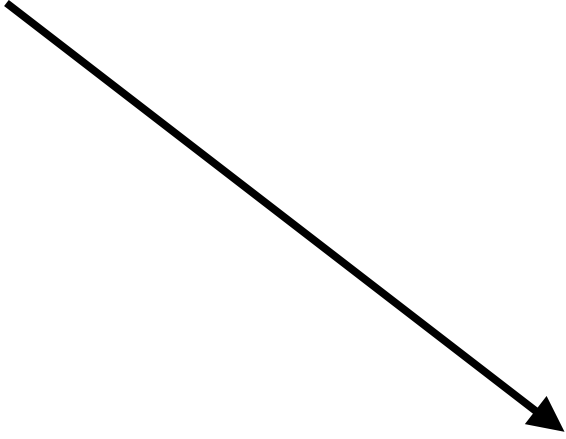
If I have nothing to lose and the poor can gain from it, why not?

Companies are not poverty eradicators.

POVERTY



At the same time primary producers such as small farmers , artisans, women's groups, community enterprises face problems which force them in perpetual poverty



Political , which they do not know about, and thanks to WTO - do not understand

Market (Demand Side), which are beyond their control.

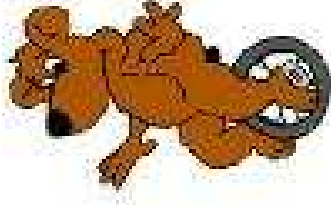
Production (Supply side), which they need to work on.



Because of these problems

The producers lose out, through unfair trade agreements, lack of technology and investments, and rapidly changing prices of their goods.

Sustainability is a major issue and survival is threatened for the producers as well



As their numerous dependents



**As people who want to support Poor
we might have best intentions !
But we realize that..**



**If we don't play our cards right,
we may just touch the tip of this
huge
iceberg called poverty.**





Fair Trade - An Option For Better Living

Fair Trade means

- Fair Price
- Long Term Relationship
- No exploitation
- Environment Friendly production
- No discrimination
- Good working conditions

Global FT has crossed US \$ 1 Billion
annual turnover





Fair Trade Beneficiaries in India

- About 800,000 farmers today benefit from FT out of which about 50,000 + are Indian. About 300000 odd craftsmen also benefit from Fair Trade out of which a third are Indian .
- Obviously, for a country with 1 Billion people, and 400 million of them poor, the numbers are miniscule, and so is the impact of Fair Trade.





Need for expanding impact !

- Though the Western FT markets are growing @ 25 % year on year, and have annual turnover of over 1 Billion US \$, they can not support millions of needy who are being marginalized every day in the post WTO globalised world
 - The South South Fair Trade route, though romantic, does not work because the costs and logistics are prohibitive. Also there is more commonality (competition !) and less complementarity
 - Obviously we need something which is much bigger in scale and impact
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Domestic Fair Trade





Goldman Sachs BRIC Report says

- India has the potential to show the fastest growth over the next 30 and 50 years.
- India's economy could be larger than all but the US and China in 30 years.
- Clearly some percent of Indian population is beneficiary of growth in Indian Economy – potential target to support a just cause like Fair Trade !





Fair Trade Potential in India

Even if a small fraction of population (2 %) converts in Fair Trade buyers Indian FT markets would be bigger than global FT markets and that would ensure

- Poverty reduction
 - Food safety
 - Environment protection and sustainability
 - Boost to local economy
 - Effective alternative to might of MNCs
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Benefits of Domestic Fair Trade

- Nearness to market giving better control
 - Smaller scales
 - Lesser documentation (which is a problem for the illiterate producers)
 - Employment generation
 - Less exploitation
 - Economic empowerment
 - Social upliftment
 - Gender equity
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In-Country Initiative

Realising this potential IRFT with support from *Hivos*,
launched a Domestic Fair Trade Awareness
Project.

The objective was to
Create awareness of Fair Trade in India
Promote Fair Trade among opinion leaders
Promote Ethical Consumption



As a part of this project

We conducted a research to study

- Concerns of a consumer
- Connection between consumer and producer
- Awareness about and Openness to Fair Trade

Also tested were Fair Trade Values like

- Democracy, equality, self-help, and social responsibility





The findings were startling but encouraging

➤ man of the house is trying to juggle the professional and personal lives without much success. The women, working or not working, are busy and feel there is no time to look after themselves. Even the children are busy with there school, hobby classes,playing with friends,computers, etc.etc. .



Even if one wishes to help, there is no time?

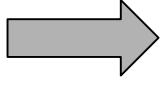


Social message is an intrusion into a space, where one wants to relax and recuperate.

SCARCITY 1 - TIME



There are, magazines, newspapers to deal with. To work one needs to process more information. To shop one has to process information. One needs to learn more and more just to stay in the same place. The mind deals with it by filtering anything that more TV channels is not simple or relevant and by making 'programmed' decisions, whenever it can afford to.



Fair Trade is
neither simple,
nor relevant.



It 'unprograms'
shopping that is
by and large
programmed.

SCARCITY 2 - ATTENTION



Today, we live in a fragmented world. Nobody knows the farmers and cobblers, the process behind the products. In essence, products come from shelves. The truth is, nobody also cares. 'What if they pollute the rivers, our wells are clean'. 'For us packaged products are coming'. 'When I work, they give me salary'. 'When I pay, they provide products/services'. And that is all there is to it. People don't make any difference between ethical and fair trade.



'Fair companies are those that are fair to me' and they are.



The good or bad things that a company does, doesn't influence brand choice.

WHAT IS FAIR?



he research gave us an indication

- Average Indian consumers sees products made by community groups or NGOs as low quality/value
 - Large business are open to supporting fair trade in the country
 - There is a need to look at aspects like certification, monitoring, standards and identity to establish credibility of Fair Trade
 - Consumers in India would not mind buying a socially responsible product if
 1. The price is right, it helps poor and needy producers and
 2. Consumer does not have to go out of the way to buy such products
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PROFIT PROMOTING FAIR TRADE in India

www.profit.org.in





PROFIT

- Promoting Fair Trade Collaboration with NGOs, Fair Trade producers, Mainstream industry / MNCs, Government and Academic world to devise strategies to promote Fair Trade in India
 - Diversifying the FT movement so that maximum number of primary producers get benefits of Fair Trade
 - Reaching our communities to ignite the latent personal ethics
 - Exploring educational opportunities
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Products

- To start with, the product sectors could be tea, textile - indigenous and special to India that have both local consumption and international markets
- Fair Trade Tea could support lot of small Indian producers the way in which coffee did internationally
- Textiles are also important because they involve all the components in the supply chain be it a cotton farmer, or a ginning mill operator, or a supermarket selling yarn at high street boutique in Italy





Challenges ahead

- Support of right people
- Access to Information expertise
- Building capacities
- Finding consumer acceptance
- Getting government recognition

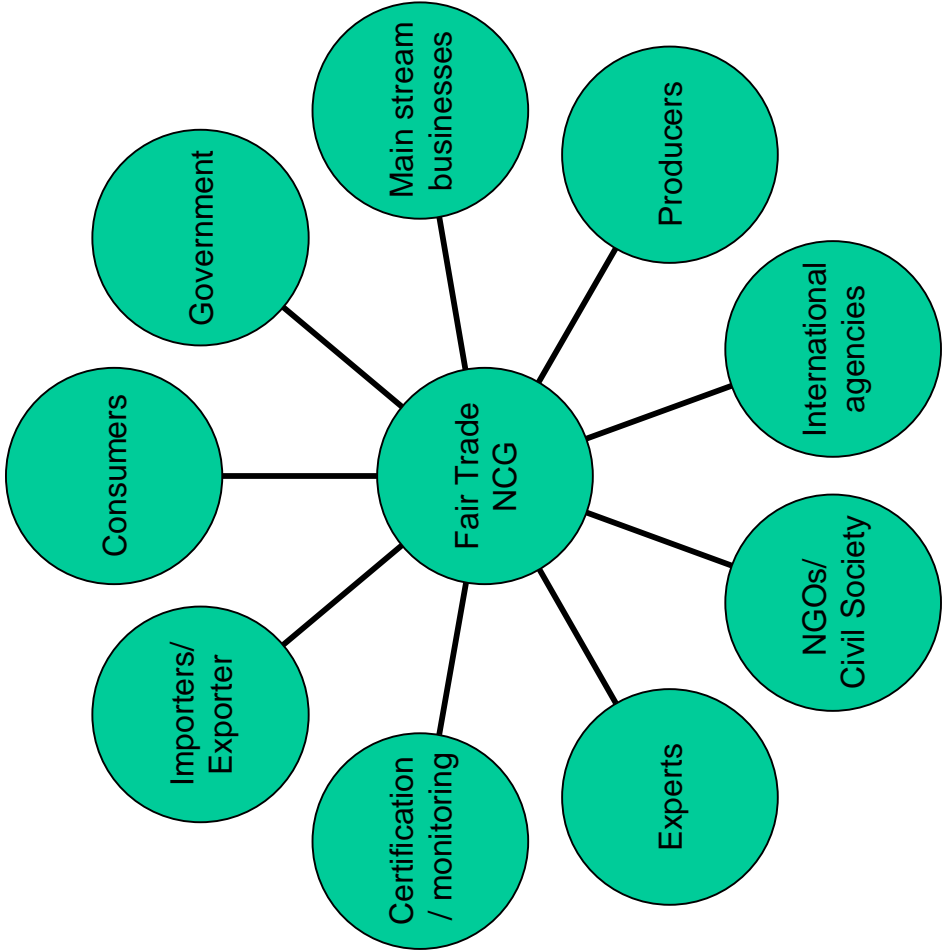




The road ahead

- Promote awareness
 - Build supply chains
 - Find funds, human resources
 - Firm up standards
 - Build systems/monitoring mechanism
 - Align with international systems
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NCG





Thank You

