FAIR TRADE
VENDOR PLEDGE

Based on research conducted by Cultural Survival on the impact of Fair Trade on indigenous people, we have developed the following set of principles for vendors who participate in Cultural Survival Bazaars. These guidelines are based on Fair Trade principles drawn from the major international fair trade organizations. However, there are some important differences. The Cultural Survival Bazaar principles are tailored to apply to crafts produced by indigenous people. Craft fair trade is not easy. Unlike commodity (coffee, tea) fair trade, there is no formal structure to follow. These guidelines describe a way of doing business rather than setting specific fair trade price points. As an indigenous peoples' rights organization, we want to be able to assure the customers at the Cultural Survival Bazaar that the products that they purchase from vendors are made by producers who receive a fair deal.

PAY A FAIR PRICE TO THE PRODUCER
Craft production is usually piece work, so it is difficult to determine the daily or hourly wages of the artisan. However, when buying crafts from the artisans, it is important to ask a set of questions and do some simple math to make sure that the price set by the artisan makes sense.

Ask the artisan how much they pay for the materials they purchase to make the product. Add up the prices of all the components to find the price of the raw materials. You may be able to help some artisans save money on materials.

Ask the artisan how long it takes to make the item. Do they work on it every day? Between other tasks? Are they multi-tasking, (e.g. doing craft work while tending animals in the pasture)? As you ask these questions of different artisans, you will begin to get sense of what is average and normal.

What other expense does the artisan incur? Transportation to buy materials and sell the finished product? Rent or administration of a cooperative? Looms & sewing machines (long term capital expenses)?

Share the information with the artisan to add all the expenses that go into making the product. How much cash is invested in making the product? You should consider pre-financing this amount.

AMOUNT THAT THE ARTISAN MAKES = PRICE YOU PAY - EXPENSES
Does this amount, or ‘wage’, seem reasonable to the artisan and to you given the time it takes to produce?

Find a government or U.N. statistical index on the international cost of living in the area (these indices are often skewed). Minimum wage usually isn’t enough for survival, whenever possible a “living wage” should be negotiated. This covers basic expenses: food, shelter, education, and health care for the artist and family. Local context matters. What does it cost to buy a house? Send children to school? To see a doctor and buy medicine? Staple foods?

Be familiar with the entire production process and be able to trace the chain of custody of the finished products. Understand the labor costs at each step in production, as well as how much each step costs in materials and transportation. The chain of custody in production includes the transfer of an item from artisan, to artisan organization, to merchants and middlemen, to shippers and truckers, to importers, wholesalers, retailers, and finally to you. Once you understand this process, you can compare the wage, or price, to the market.

BUY DIRECT
Fair trade is all about long-term relationships between producers and customers. As the fair trader, you should buy directly from the artisan, not from a third party representing the artisan. Obviously, the most direct relationship exists when the artisan comes to the bazaar to sell their own work to the consumer.

PROVIDE PRE-FINANCING AND TECHNICAL SUPPORT
Pay a 50 percent deposit when you place an order to produce a good. At a minimum, this will cover the costs of the materials. Just as importantly, it shows good faith. In some cases, pre-financing serves as an excellent investment, as it can allow the artisan to purchase bulk materials at substantially lower costs. Cooperatives often provide artisans with financial help, which may include direct loans, prepayment or partial prepayment for artisans’ products, or helping artisans find alternative sources of financing. Tell artisans about pre-financing: don’t wait for artisans to ask for it. You should also help artisans find other buyers so that they are not completely reliant on your business.

RESPECT CULTURAL IDENTITY
You should encourage artisans to develop products based on their cultural traditions and should promote their artistic talents so artisans can sustain their cultural identity.

ENCOURAGE ENVIRONMENTAL SUSTAINABILITY
Work with artisans to develop environmentally friendly practices and sustainable management of local resources. The key is to ask and keep asking questions while engaging the producers to realize the impact of their work on the environment and to be more environmentally conscious.

EDUCATE CONSUMERS
Educate customers at the Bazaar about the importance of purchasing fairly traded products.

ESTABLISH A LONG-TERM, STABLE RELATIONSHIP
WITH ARTISANS
Forming a long term relationship with the artisans is important to build trust and to gain a thorough understanding of the production process and ‘wages’.

BE ACCOUNTABLE
Operate in a transparent manner. Make your financial records available to artisans.

ESTABLISH A COOPERATIVE WORKPLACE OR WORK DIRECTLY WITH INDIVIDUAL ARTISANS.
Buy from worker-owned, democratically run cooperatives and associations, or directly with individual artisans, so that artisans and their community can benefit significantly from the relationship with the fair trader.