

# Facilitating Fairtrade Markets in the Intag Valley, Ecuador



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## Project Overview

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**Organization:** Interamerican CASA

**Location:** Pucará, Canton Cotacachi, Province Imbabura, Ecuador

**Mentor:** Dr. Philip Oxhorn

**Fellowship Duration:** January 28- April 20



## About the McBurney Fellowship Program

Through McGill's Institute for Health and Social Policy, the McBurney Fellowship Program supports students in international service programs related to health and social policy in Latin America. McBurney Fellows serve abroad in organizations working to meet the basic needs of local populations. One key aspect of this fellowship is its mandate to make a significant contribution to improving the health and social conditions of poor and marginalized populations through the delivery of concrete and measurable interventions. Students and their mentors identify issues, make connections with local organizations, and develop a strategy for the fellowship. The views expressed in this document are the opinions of the fellow, and do not necessarily reflect the opinions of the IHSP.

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CASA interamericana was my host organization, and my fellowship was an extension of their existing programs. CASA is an NGO run by University of Vermont Professor Pete Shear. He specializes in environmental policy and rural integrated development projects in Latin America. He founded CASA in 2000 to promote and support small scale social development projects throughout the Americas. The Pucará site works to develop sustainable agriculture through experimentation and local participation. Pete Shear has worked extensively with developing Fairtrade coffee production in the region, working with a local coffee collective (AACRI). Fairtrade coffee mainly benefits farmers with the capital and land necessary to begin production (approximately \$7000 per hectare). My project focused on spreading the benefits of Fairtrade practices to different groups, especially women with limited ability to work traditional jobs (mainly due to child care responsibilities).

## Objectives

As with any integrated development project, my work in Pucará was directed at solving a mixture of problems. The immediate issues that I was looking to address were empowerment of local women, creating sustainable economic opportunities (both environmentally and over the long-term) and preserving traditional crafts and cultural practices.

People in Pucará today have very few opportunities for social mobility. The vast majority of the youth in the community choose to migrate to more densely populated areas where there is more employment opportunity. At the same time, there is a tendency for women to have children at a relatively young age. The intersection of these issues means that there are many single mother households in which the mother does not have the flexibility to hold a steady work position as her

child care duties are full-time. Fathers, when they do take part in family life, tend to spend much of their time living away from home as migrant workers. To combat this trend towards low-income, single parent homes, CASA has been creating local employment opportunities designed to be flexible around the lifestyles of local women, specifically young mothers. The goals of this project are twofold: 1) to help alleviate the economic burdens shouldered by single mothers and 2) to create sustainable and



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long lasting opportunities that will help keep future generations in Pucará. So far, the most successful project has been CASA's homestay and Spanish school eco-tourism initiatives. Local families who host tourists earn a substantial amount of money and often apply it to costs they had not been able to cover in the past—car payments, house repair, medical procedures, etc. The Spanish School employs three local women who teach visitors Spanish language skills at a wage that is much higher than they could make elsewhere. The employment is sporadic and part time, but as the ecotourism project grows, so will the opportunities for employment.

My project was designed with the same goals in mind. The handicrafts that I was working with can be made anywhere and production can be interrupted at any point—mothers who frequently need to care for small children can stop and start at will and work on their own schedule. This is important because most local employment requires long days in the field.

Another issue, explained more in the next section, is the need for sustainable employment projects that will serve as alternatives to mining and deforestation. The products that I worked with are produced using only local components and are non-toxic. It is also similar to the traditional livelihoods of the area as they are basically agricultural and small-scale artisanal activities.

### **Background/context**

The main issue faced by the communities I spent time with in Ecuador is rural poverty. The average resident of Pucará is a semi or mostly subsistence agriculturalist. This leads to youth flight/economic migration, where young people leave their rural communities in search of work in urban centers, which in turn has a devastating impact on Intag communities and culture.

Another major challenge is the encroachment of mining operations. In the 1990s, Bishimetals, a subsidiary of Mitsubishi, bought a mining concession to create a large-scale copper mine in the Intag Valley. After several years of popular mobilizing, including violent showdowns with government and paramilitary forces, an attack on the mining camp, and targeting of resistance leaders, Bishimetals pulled out of Intag in 1997. Exploration was restarted in 2002 by a Canadian company, Ascendant Copper, which was likewise opposed and eventually left the valley due to the resistance efforts. Today, the Correa administration has empowered the state mining company, ENAMI (allied with Chilean copper giant CODELCO), to excavate the mine in the name of state progress. Despite the continued resistance of local communities, the state has continued to encourage mining in the Intag Valley.

Because of the lack of economic opportunities, local people often resort to deforestation as a way to increase their farmable acreage and income overall. Deforestation is especially harmful in the Intag Valley as it is one of the last places in Ecuador that maintains the majority of its primary forest cover and unique ecosystems that exist nowhere else on earth.

## Activities

My first project was to plan and plant a pilot plot to test the feasibility of growing common local plants for export. I worked with my supervisor Peter Shear to select which plants were the best suited to our purposes, and then we actually planted the garden in an unused plot on Peter's farm. Based on the results of the garden, we should be able to select the plants that are most plausible for export based on ease of growth, predicted yield, and market value. Unfortunately, I was not in the field long enough to complete a post-pilot evaluation. This part of the project will be taken over by another intern who is arriving in June and will be researching the specific logistics of harvesting, processing, and exporting these products.

The project that took up the largest portion of my time was developing market connections between artisanal groups in the countryside and consumers. When I arrived, the artisanal groups were a very casual form of employment. There is a communally run café in Otavalo, the closest city to Intag, that sells many of the artisanal products made by the women in these communities. However, the supply of handicrafts is very sporadic and depends on what women are interested in producing in their free time. There were no set prices and the women mostly undervalued their work: it was common for a bag that took one full day of crocheting, plus at least another full day of preparation of the materials (harvesting, washing, drying, spinning, dyeing) to cost only \$10-\$15 per unit. In comparison, the average wage for a day's work with a machete (very unskilled labor) is \$15. To create a business that was usable to both people buying products as well as the artisans themselves, I worked with the café manager, Inez, to create a pricing scheme that reflected a fairer price for the goods but was standardized to make large and/or regular orders easier for Fairtrade buyers.

I also created promotional information for the organization. This mostly consisted of a catalog of products with images and descriptions of each of our items that we can provide to potential buyers. I made a Facebook page to have a basic web presence with photos of the dyeing, harvesting and weaving of cabuya. The next Fairtrade intern who is coming to CASA will be working to expand the catalog with more background information on the items that the artisans sell and creating an independent website.



Finally, the most challenging part of the internship was to create partnerships with Fairtrade retail stores. I spent a large part of my internship contacting individual Fairtrade businesses with retail locations primarily in the USA. This proved frustrating and unfruitful for several reasons. The first is that Fairtrade businesses tended to look really only at their bottom line, which makes sense from a business perspective, but meant that I did not

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find anyone willing to work with the artisan group to develop an export partnership for their relatively high-priced goods. Additionally, their status as a brand new organization with no export experience was a major barrier. Most Fairtrade retail locations work on the structure of direct buying (where a company representative travels to meet with artisans and buys their products face to face, establishing their own relationships) or by working with established Fairtrade exporters/organizations who are responsible for all shipping/customs arrangements. The first option was not useful for my project because, while I did find one or two storeowners who were interested in visiting to buy products directly, they were not interested in paying the prices that we were looking for.

Developing an exportation company was not feasible for my project because of the large amount of paperwork and experience needed to succeed. After having conversations with several Fairtrade professionals, I decided to change strategies and try to create a partnership with an established exporter, Ecuador Craft Wholesale (ECW). Partnering with ECW make sense because it is small, flexible company while still being established provide long lasting opportunities to the people of Pucara. With background materials that I provided, ECW is now putting together a marketing plan for the partnership.

I have also been working with two other export networks. The first, MCCH, is an Ecuadorian-based network of artisans that sell their goods to the Fairtrade giant 10,000 Villages, and another, SIRR, is a large web-based Fairtrade wholesaler. Both of these partnerships will be further developed by the next Fairtrade Intern who will begin working with CASA in June.

### Challenges and successes

The most visible success of my time with CASA is the link between Ecuador Craft Wholesale and the artisan collective I was working with. I am especially happy with the way that I left the two actors: Garman, the exporter, has an office that is only 2 blocks away from the community run café, Casa de Intag. Inez manages the café during the workweek and will be the contact person for Garman going forward, with CASA actors checking in periodically and working to develop new opportunities. The pilot plot is another success. In about another month, it will be ready to be evaluated and hopefully provide another source of Fairtrade opportunities to the people of Pucará. Overall, I think that the most important impact that I had was to get a feasible Fairtrade project started. From here, I believe that local actors have the capacity to develop the project on their own. I was able to provide assistance and overcome the time, language, and technical barriers to a project of this sort so that from now on the project can grow on its own.

However, I did expect to have more of an impact and leave a more coherent and developed organization when I left. I think that the biggest cause of this was the remoteness and shortness of my field placement. Most of my work took place through internet and phone communications. The site where I was living, Pucará, had extremely limited internet access. I often had to hitchhike to the next town, Apuela, to use the internet connection in the library there. A round trip could take up to 3 hours. Additionally due to the lack of rides late in the day and the library opening time of 10 am, I often only had a few hours to connect and get my tasks finished. I also thought that I would be able to create a stand-alone organization that could manage its own export logistics. As stated above, this was not the case.



### Questions raised

One thing that has prevented collective initiatives like my project from succeeding in the past has been infighting between the stakeholders. This is often due to perceived or real inequality, jealousy, and long-standing interpersonal conflicts (among others). To avoid this problem, we kept our contact with the actual artisans very minimal. Our main collaborator was Inez, the manager of Casa de Intag, and the de facto leader of the artisanal collective. We created a plan of action with her input, and are planning on simply announcing the opportunities as they are created through orders placed with Ecuador Craft Wholesale. That way, the process cannot be derailed ahead of time by conflicts over the distribution of economic activity. Our hope is that by going about it in this way, we will have the opportunity to show the effectiveness of the program before internal conflict can detract from the overall objective. Obviously, this brings into questions the ethics of outside actors creating local initiatives without complete participation of all stakeholders. However, in our case, we felt this was the best way to get the project established and empower locals to manage it once it has shown its potential. We also plan to present the opportunity as exactly that- a completely voluntary opportunity to work. We will also be handing control of the initiative over to the local artisans now that we have established a framework and they will have complete control of its functions now that a basic framework and process have been established.

### What did you learn?

This was my first experience working with an integrated rural development project (IRDP). I think that they are a great way to have overall long-term impact on a community, and they provide essential long-term sustainability and monitoring for development projects. However, because

of the nature of these types of projects, the organizations behind them are oftentimes small in scale. This is a great model for development because it is hyper-sensitive to local realities: Interamerican CASA has done wonderful work in Pucará, creating among other things a wetlands-model sewage treatment plant, a community-run restaurant and internet café, and ecologically friendly dry toilets for the soccer stadium. However, I think while IRDPs are a necessary component to developmental work, short term interns and fellows need to research them to make sure that the IRDP is the right host organization for them. IRDPS often cannot intensively train people who are new to developmental practice due to their resource limitations, and because of their long-term time scale, 2-3 months is a very short time in which to accomplish meaningful goals. Personally, I enjoyed my time with CASA, but two aspects of my time there were less than ideal:

1. The remoteness of and limited internet connectivity in Pucará was a logistical hurdle. In the future, McBurney interns going to work should really investigate the resources they will need for their project and ensure these resources are available. If there is a large discrepancy, making a plan to address them in the planning stage will make the fellowship go smoother. Going in with this in mind will help Fellows be efficient in a short amount of time
2. As a very small NGO, my placement with CASA was very hands-off in terms of management style. I do well in hands-off environments, but due to the short length of McBurney placements, future Fellows might benefit from working with organizations that have a more developed and hierarchical model.

### Community Implications and Further Work

The main goal of my project was to create opportunities for sustainable economic growth. Connecting the artisan group that I was working with to Ecuador Craft Wholesale has created a partnership that has the potential to provide long lasting and locally managed economic opportunities to the community of Pucará. This is an important step in the sustainable development of the Intag region for several reasons. The first is that this is something of a “first” for the area. Previous Fairtrade efforts have revolved around sporadic local businesses (like Casa de Intag) or industries with heavy barriers to entry (exporting of organic coffee). The model that I established in Pucará will hopefully do two things: 1) provide an example of an export program that is relatively easy to establish, as the main inputs are person to person contacts, not capital investment, and 2) provide a framework that paves the way for sustained local control and innovation in terms of sustainable development initiatives.

This will help to improve the overall level of living and create avenues for people to create new initiatives along the lines of my project, but to also develop the current structure to include more producers from Pucará and the surrounding communities. The people I worked with now have a new source of income that they can build on as a community-run project. In the long term, my project will make a difference because without it, the local people and CASA would not have been able to overcome the initial barriers to entry of an international Fairtrade

project. With the groundwork of research and networking laid, the community can continue developing the project with relatively little investment.

## Program evaluation

### How did this fellowship further your academic or career goals?

This project was personally enlightening in many different ways. The most obvious is that my Spanish language skills improved quite a lot and I gained experience working professionally in an all-Spanish environment. I was also able to experience a development project first hand, learn about managing NGO's and community relations, and self-organization. Overall, I think that it filled a large gap in my IDS degree—the McGill coursework is heavy on theory but practical instruction is almost completely non-existent. After my McBurney Fellowship, I feel confident moving forward into a professional position in development where I will have strong theoretical basis as well as practical knowledge about how to navigate the challenges that I will face. Finally, the experience of living in an extremely rural setting in semi-poverty was an eye-opener that changed my perspective on how I view developmental issues. Going forward I will definitely be keeping the experiences I had in Pucará in mind when I am working on other projects.

### Any advice for future fellows?

I have several ideas that I think will help future fellow see success in their McBurney Placements:

1. Plan adjustment periods. It is extremely hard to get off a plane in a new situation and get right to work. By giving yourself anywhere between 2 and 5 days before leaving and returning to Canada, you can get a better idea of your local context.
2. Set personal progress goals in advance. This is essential if you are in a self-starter position like I was. Plan out the objectives you want to complete during your internship, and set deadlines for each one on your calendar ahead of time. Refer back to your calendar throughout your fellowship and revise/further your goals to meet the on-the-ground circumstances. You can make your initial schedule in Canada before you leave, but make sure you revisit it at the end of your adjustment period so that it is realistic for the situation in which you are working.
3. Keep in touch with your mentors as they really do have lots to offer. You probably aren't the first one to encounter the challenges you will face, and they can help you figure out the best way to proceed.