

Chapter 4 Sale of Fiber Plant Products for Increased Income

This chapter examines the potential of the sale of fiber plant products for improving the lifestyles and income of the African people from the perspectives of organization, system, and market.

First, the experience of a young volunteer dispatched by JICA is introduced. She struggled to assist in the production and sale of Bolga baskets in a community in the northern part of Ghana. The issues to be addressed by the basket producers are identified from the viewpoint of this JICA volunteer's experience, and the activities that were effective in solving such issues are summarized. Furthermore, the issues involved in organizing the producers and selling the products are examined based on the trials and errors actually made in the local community, including the suggestions that were offered to improve income, organizing the producers and adopting a new distribution system that is beneficial for both sellers and buyers. In the sale of fiber plant products, the trends in consumer needs and the market play an extremely important role as well as the matters to be addressed by the producers, such as quality improvement and upgrading of production systems. Therefore, by focusing on the local and international markets, the trend in consumer needs for fiber plant products and the potential of the market are also examined.

Finally, an instructive case of fiber plant product development in Laos is introduced, together with a summary of the desirable roles of public support organizations and the perspectives required in developing fiber plant products.

4-1 The Case of Bolga Basket Production

4-1-1 Outline of the place of assignment

Nyariga Village, where the author was dispatched, is a thirty minute car ride from Bolgatanga, the capital city of the Upper East Region, which is located about 830 km to the north of Accra, the capital city of the Republic of Ghana. Nyariga has a population of about 3,000, and most of the inhabitants support themselves by engaging in agriculture in the rainy season. As the Region falls within the savannah climate zone with the temperature ranging between 30 and 45 degrees centigrade, the dry season is long, and the farming season short. Tomatoes, peanuts, gumbos, millets, corn and beans are the main crops of the village. The handicraft of weaving baskets of straw has been handed down from one generation to another, and the so-called "Bolga baskets" constitute a precious source of earning cash income. Most of the inhabitants can weave baskets.

The village has no industry to employ the villagers, and they can only earn income in the short farming season. As a result, an increasing number of villagers have migrated to urban areas for work. As the villagers can only earn money on an irregular basis, they keep little cash savings on hand, and most of them cannot visit the hospital or buy drugs when they get sick or injured.

4-1-2 Nyariga Handicraft Association

1) History of Nyariga Handicraft Association

The Nyariga Handicraft Association was founded in 1999. At the beginning, it produced traditional types of baskets like other handicraft organizations, and sold them to the merchants at neighboring markets.

In 2003, overseas traders showed an interest in the products of the Association, and it was decided that the Association would try to produce new types of baskets having higher added values required for export-bound products. Having been provided with the necessary techniques and designs, it succeeded in advancing into the overseas markets. However, it was impossible for the Association to maintain the same level of quality and sustain production, so it requested the author, who was the first Japan Overseas Cooperation Volunteer (JOCV) member dispatched to Nyariga Village in 2007, to provide assistance.

2) Recent circumstances and sales results

Representative: one person

Number of staff: three people

Number of members: approximately 400 (350 to weave baskets, and approximately 50 to work on such processes as hand sewing, sewing by machine, and leather processing. 80% of the members are women, and the activities of the Association have extended from Nyariga to surrounding communities and inland villages.)

Annual domestic sales: approximately US \$6,000

Annual overseas sales: approximately US \$30,000

Annual quantity exported: approximately 5,000 pieces

Traders: Two traders, one French and one Japanese



Photograph 4-1-1: Traditional Bolga baskets



Photograph 4-1-2: Nyariga baskets for export

4-1-3 Assistance activities and current situation

1) What was required of the JOCV

The author was requested to work as staff to implement quality control, establish the quality level necessary for export-bound products, improve techniques, strengthen product inspection, review cost and price and expand sales channels to the markets both at home and abroad. Furthermore, the author was also expected to make necessary organizational changes, improve the management of the organization, and implement inventory control.

2) Understanding of the status quo and the problems faced

As Japan was the main market of the products of the Association, what was required most was improvement and maintenance of quality, and strict observance of delivery time. The following are four of the many problems the author faced during the assistance activities.

- ① When the author arrived at the village, there was no staff in the office, and the representative performed the necessary operations by himself. It was apparently impossible for one person alone to process orders for thousands of baskets and make job arrangements for nearly 400 members.
- ② Due to the limited production capacity of the small African village, delays in delivery and shortages and returns caused an increase in the cost and inventory of defective merchandise, putting a severe strain on the management of the Association.
- ③ The basket production work consists of a seven-stage process, and each stage of the process is performed by a different person. However, no well-defined procedure was established for each step, the responsibility of each worker was not clarified, and the instructions were conveyed only orally without any established means of communication. These and other factors contributed to the occurrence of mistakes while at work and delays in delivery, leading to the decreased profits of the Association as well as the villagers.
- ④ The most important thing for local workers is to feed themselves and their families. "One cannot work with an empty stomach," as the Japanese saying goes, and they were paid in advance for the amount of work they promised to achieve. This wage system of basket weaving was very complicated, and it was necessary to keep records of the amount of work promised and advance payment for each of more than 200 weavers. In addition, they were supplied with the straw by the Association, the cost of which was deducted from their wages as material cost, and the amount of straw supplied was different from worker to worker. When the promised amount of work was completed, the advance payment, material cost and loan, if any, were deducted from the wages for the achieved work to settle the balance. However, the records were not consistently kept and there were inaccuracies due to ambiguous memory, and there were also mistakes in calculation. Among other difficulties, the record-keeping required an enormous amount of time. Furthermore, there were some cases where workers, who had been paid in advance decided to quit the job.

Basket Production Processes

1. Selection of straw → 2. Dyeing → 3. Basket weaving → 4. Attachment of handles
→ 5. Attachment of leather on handles, etc. → 6. Lining → 7. Manual sewing
→ 8. Inspection of finished products



Photograph 4-1-3: Straw dyed in various colors

(For export, baskets of the same type need to have the same color, but it is extremely difficult to dye the straw uniformly in the same tone.)

3) Efforts to solve the problems

- ① Investing in personnel and education: Because of the fact that there were both busy and slow seasons and the Association had no regular income, it was financially difficult to employ full-time staff. The necessity of investing in personnel and employee education was explained to the representative to bring about improvement.

As an improvement measure, two assistants, one for the office work and the other for technical support, and a manager were employed on a full-time basis.

To take the lead of nearly 350 basket weavers, they were divided into groups, and a leader was appointed for each group. The leaders were provided with training and lectures on a regular basis so that they could evaluate the production efficiency and quality in their respective groups.

- ② Holding of educational meetings: With the cooperation of a senior and a short-term member of JOCV, who were specialized in production control and data systems, respectively, the author studied, together with the representative, about the flow of products from receiving the order to production, and the knowhow of operating an organization. A workshop on defective inventory was also held with the participation of the leaders.



Photograph 4-1-4: The leaders burnt the defective inventory, feeling acutely aware of the money and time wasted on the baskets.

- ③ Clear understanding of the status quo: The author decided to make an all-out effort to have the representative understand the status quo clearly. When an order is received, he should calculate the quantity of materials required to fill the order, and check the existing stock of the materials before placing an order for additional materials. Purchasing unnecessarily large quantities of materials will waste warehouse space, and result in lost and damaged materials. By understanding the production process, the sequence thereof, and the working hours required to complete each step of the process, it is possible to allot the work and plan the working schedule appropriately, thus leveling out the production of the baskets. The understanding of the sequence of the production process will also make it possible to calculate when each material will be needed, and the timely order placement will reduce the unnecessary stock of materials.

When the representative asked the workers the details required to understand the status quo, they had already had the answers to his questions and even the specific numeric data. All he needed to do was to assemble those answers and data in order to describe the whole picture of the status quo. Then, he could predict the problems that might arise, and take necessary measures to prevent them. This was because the workers had realized what was needed to make improvements, but they had never had any opportunity to implement it.

While being engaged in this process, the representative learned a lot about operating an organization, as he saw with his own eyes the cases of unequal wages, existence of busy and slow hours, and the waste of expenses.

- ④ Registration as members and record-keeping: The author thought it necessary to abolish the advance payment system if possible. However, it had been a long-standing practice, and the workers had taken it for granted. Abolishing the system would mean that there would be no one to work for the Association. Besides, the Association received 20 to 50% of the amount to be paid for the export-bound products (3,000 pieces in average) in advance from the traders.

As substitute measures, the members were registered group by group, and the detailed data of each member was recorded accurately. When the balance between the wages actually earned and the advance payment was settled, the members were ranked according to the level of quality of their work and the time required to finish it. The rate of advance payment, wages, the number of pieces assigned to each member, which had been equal among all members before, were decided according

to the newly introduced ranking. This was intended to ensure fairness in the workplace by treating those who worked hard and those who did not differently.

For the people who had not worked under strict discipline or rules, it was not easy to get accustomed to the merit reward system instead of the equal pay system. In the future, however, it may be possible to introduce a system in which the workers are not paid in advance, and those who have finished the assigned work as instructed are rewarded with a bonus.



4) Changes in awareness

In recent years, Nyariga baskets have been exported to overseas markets through the mediation of foreign traders. In the beginning, the local workers thought it burdensome to produce export-bound products using new designs and techniques instead of traditional baskets they were familiar with.

Being excited about the fact that the baskets produced in a small village in Ghana were sold in the faraway Japanese market, the author enthusiastically provided assistance and guidance to the villagers, but could not attain good results for some time after arrival at the village. It is considered that, after being instructed and sometimes scolded about the work by the traders and the author, the villagers acquired a passive attitude toward their jobs, thinking that they were only made to weave the baskets, or doing it for the benefit of the outside people. It took a period of time until they realized that the basket production was an important means for them to feed themselves, and that was why they had to take responsibility and do their jobs perfectly until the products were shipped, regardless of the fact that the baskets were ordered by outside people.

On the other hand, as the consumers in developed countries desire to know about the producer of the product to ensure its reliability, it was necessary for the villagers to know about the users who chose to buy their baskets. They could not understand why the design and size of the baskets they produced had to be as per order, and what was wrong with the delay in delivery. However, their awareness toward basket production gradually changed when they realized that failure to meet the requirement of the consumers (customers) would disappoint both the traders and the consumers so that they would lose their

interest in the baskets, which meant that they would no longer receive orders and thus lose their jobs. The villagers are kind and friendly by nature, and like to entertain visitors. They will be more willing to work if they know how happy the users are to have their baskets.

5) Workshop activities

Two workshops are introduced here as examples of the activities that contributed to the change in awareness of the villagers. Both of them were held in collaboration with the Craft Subcommittee of JOCV, which consisted of the members conducting activities related to craftwork among all those dispatched throughout Ghana.

The members of the Craft Subcommittee visited Nyariga Village and held the first workshop extending over four days. At that time, Nyariga Handicraft Association was planning to organize tours for visitors where they could get a hands-on experience of weaving baskets, a specialty of the village. The staff members of the Association were eager to know how they could address the diverse needs of the tourists as well as how to teach them the skill of weaving baskets.

The members of the Craft Subcommittee played the role of the tourists, and learned the history of basket weaving, production processes, dyeing, etc. from the villagers, besides weaving the baskets by themselves. The villagers were obviously perplexed by the situation in which they had to teach basket weaving to foreigners who knew nothing about that handicraft. In particular, they were keenly aware of the language problem.

Based on the simulated interaction with the tourists (consumers), experienced at the hands-on type workshop, the villagers and the author worked together to seek solutions to the problems that might arise in the actual tours. Such efforts were continued in the daily activities of the author.

After that, role-playing was performed to experience the important elements involved in the production and sale of the products. The representative of the Association played the role of an overseas buyer in order to drive home the importance of producing products strictly as per order, observing the quality requirements and delivery time, and establishing a reliable relationship with the traders (consumers). The other villagers participated in the session as producers.

Through those activities, the villagers seem to have obtained a higher sense of purpose and become more motivated, as they discussed with each other more actively about the basket production for the betterment of their own lives.

The second workshop took the form of an event in which demonstration, exhibition and sale of the baskets were conducted. It was held in the latest large shopping mall in Accra, the capital of the Republic of Ghana. The purposes of this event were ① to make the Nyariga baskets much better known in the capital city, ② to cultivate new sales channels to activate the entire craftwork industry in Ghana, and ③ to collect information on the market trends so as to enhance the quality and marketability of the baskets. Five of the basket producers in Nyariga Village participated in the event, and were engaged in such activities as a questionnaire survey, panel exhibition, showing of video movies, and demonstration of basket weaving as well as exhibition of baskets. It was also expected that the participants could directly watch the latest trends in fashion and consumers' needs at the latest large shopping mall where

there are also a lot of foreigners.

While in Nyariga Village, all they did was receive orders from overseas, produce products, and ship them. During the event, they interacted with the consumers, and saw how they chose products and finally bought them. Among other things, the happy faces of the customers when they bought the baskets seem to have given the villagers a high degree of confidence in their products.

6) Future expectations

The Bolga baskets seldom discolor, possess sufficient strength, and return to their original shape by moistening them with water if they become deformed. Currently, traditional types of baskets are the main exports, which are shipped to Japan, the United States, and many countries in Europe.

The Nyariga Handicraft Association is exporting new types of baskets with higher added value to the Japanese market. They are available in various colors, and are produced more skillfully. Despite not being well-known in Japan, they are purchased at relatively high prices. Unfortunately, they are still little known elsewhere in Ghana and other African countries. It is hoped that the name and the quality of the Nyariga baskets will be disseminated throughout the country so that they can be exported on a global scale.

As a measure to vitalize Nyariga Village, the Nyariga Basket Association is considering promoting tourism in the village by organizing tours to provide the hands-on experience of weaving baskets. The author earnestly wishes them the best of luck and success in the future.



4-2 Role of Producers Associations and Distribution Reform

Based on the case of Nyariga Village mentioned above, this section examines the role of the producers association while looking at the cases of Japanese cooperative associations in their early days. Suggestions are made using examples as to the key points to be noted in organizing the producers, and an efficient method of starting the joint sale and purchase, which are made possible by establishing an association.

4-2-1 Necessary perspectives in organizing producers

1) Respect for the rules of the community

It is important to devise a method that can increase the cash income of the producers while, at the same time, preserving and developing the Ghanaian traditional folk art and handicraft (with baskets taken as an example here), together with a system that can be applied to other products such as vegetables, fruits, and livestock products.

The systems of production and distribution currently in effect in Ghana have been elaborated over many years, and they should not be evaluated from the viewpoint of developed countries but should be respected as such.

Since Ghana's independence in 1957, its villages have their own rules which have constituted the basis of the life of the inhabitants for more than fifty years. It is essential that adaptation to the current "market economy" should be planned on the basis of those rules. What the villagers need most is cash. It is important to make them realize that while the efforts of a single individual can not compete successfully against big business, by putting their heads together and cooperating with one another, they can earn greater income.

As the first step, make the villagers aware of the difference between the articles they make for their own use and the "commercial products" that can be sold in retail markets in the villages and cities, and even in overseas countries.

2) Production of "commercial products" and sale thereof

Let the villagers understand that producing "marketable commercial products" by a group of villagers, assigning a specific task to each of them, is more profitable than making products individually in his/her own way using the materials collected from the woods and selling them to a broker.

It is also necessary for the villagers to understand that the method of sale is an important factor to make their products more profitable. In the circumstance where the products are sold to brokers at the buyer's price, the producers cannot know how the prices of their products are determined, and what margin of profit the brokers add to them. It is not until the producers experience for themselves such cases as where products having a similar appearance are priced differently, being usable does not mean being marketable, and a little clever marketing strategy can make the products sellable at a surprisingly high price, that they acutely realize that it is necessary to produce "commercial products" with a group of producers.

In order to create specialties based on the tradition of the village and foster them as its industry, it is

important to establish a system in which the cooperative efforts of the producers can lead to increased income.

4-2-2 Start with a retail store

Merchants never reveal the knowhow of trade including the method of setting prices and profit margins. The tactics of trade can only be learned by participating in the business. What the villagers can do readily is to retail the products they produced.

They can sell baskets, handicrafts, vegetables, fruits or whatever they think is sellable at the retail market. If it is difficult to enter into the market for the first time, they can open a street stall by the roadside. It is recommended that such a business be started with two or three people, as they can help one another. After they have become used to the dealings, two of them can go back to their homes to do household duties while one person is attending the stall. If the stall is run by five people, three of them can go home with two attending the stall. By experiencing the actual dealings, the villagers can learn what is sellable and what is not. Moreover, they can realize that the brokers are not a group of cunning people earning a margin of profit without effort, but play a useful and indispensable role of distributing the products in the market. The villagers begin to think what the brokers need.

Once the villagers have acquired the knack of operating a street stall or retail store with a group of people, they can open an outlet store of a larger scale to earn more cash. It is important to start with what they can do now even if they do not have enough funds or knowledge to launch a business.

4-2-3 Method of organizing an association

1) Start with organizing a group

If the individual villagers sell their baskets to merchants, the products they produced with sincere earnestness will be bought at an unjustifiably low price. It is difficult for an individual producer to negotiate with the brokers or retailers on an arm's-length basis. It is important that the villagers discuss how to establish a system that enables them to negotiate with those merchants on equal footing.

Make the villagers understand that a cooperative association is intended as a means for them to create their own benefits, and that such an organization should be established voluntarily by the basket producers.

At first, organize small groups of producers. A group can consist of producers in the same community, those who usually produce baskets in cooperation, or the like so long as they can communicate frankly with one another. Start discussions about organizing an association with those groups as the nucleus.

What is important in organizing a cooperative association is not to meet the formal requirements of an association but to focus on the needs of the participants. At the outset of the discussion, place a priority on making arrangements they can agree on regarding preparing bylaws, regulations and rules, which are necessary at the time of official registration.

2) Take advantage of the power of tradition

In spite of the differences in methods of agriculture and livestock farming, every African nation has

customs and rules that require the community residents to cooperate together in order to cope with the harsh natural environment.

Such groups of people gathering under the rules of cooperative work should be transformed into an organization that can adapt to the current systems of politics and economy. Under the circumstance where the villagers do not have enough money in cash to live and the difference in income is widening, it is important to suggest a system of earning money necessary for everyday life.

Even in developed countries, the cooperative associations started in the same way as in Africa. The long-standing customs and rules characteristic of the community can work most efficiently. Furthermore, it takes some time to change the way of life they are accustomed to. A new ready-made system that can bring profits to the villagers in the short run will not take root among them.

3) Self-finance the association

A cooperative association is an organization intended to create benefits for the producers on their own, which means that all participants should finance the association to launch it.

It is essential that the amount of the investment should be set at a level that the villagers hoping to participate can afford to pay. It is also possible to make investments with goods (investment in-kind). It is a principle of the cooperative association that every member has one vote. The villagers are to understand that, irrespective of the amount invested, all members are treated equally.

Making an investment itself is important even if the amount invested is small. That will bring the members a strong sense of participation.

4) How much money is needed to launch a cooperative association?

The expenses required include ① renting an office, ② office expenses, ③ communication expenses, ④ cost of equipment, ⑤ personnel expenses, and ⑥ registration fee.

Among them, ② and ③ are absolutely necessary. By delaying the registration, ⑥ can be paid at a later time when the money has been earned.

If there are not sufficient funds, devise an inexpensive method of organizing an association. Under the circumstance where no governmental support cannot be expected, the villagers should understand that they cannot secure benefits for themselves if they depend on foreign assistance for funds, or give up launching an association without help from sponsors.

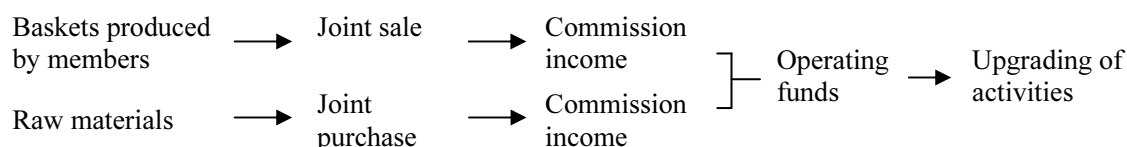
It seems to be taken for granted that they can rely on foreign assistance to provide funds for the initial launch, facilities, and operating funds. This may enable the assisting organization to control the cooperative association as it desires, and it may even be possible that the association will be dissolved as soon as the project of said organization is completed. In the latter case, the villagers may lapse into a condition much worse than before the association was launched. To establish a system in which the local villagers take the lead in operating the association, the key to success is struggling to devise a system on their own.

6) Ingenious methods of raising funds

Even an association having a small amount of money can upgrade its activities gradually by starting with

what they can do. First, it can manage to raise funds by following some ingenious methods.

An example of such methods is that the members of the association can jointly sell the baskets they produced through the association. No money is required for this. When the baskets have been sold, a portion of the selling price is paid to the association as a commission, which can then be used as operating funds. By purchasing raw materials of the baskets jointly, the association can also obtain a commission.



7) Establishment of an organization under the initiative of the leader

In the early days of Japanese cooperative associations, the landlord of the village, outstandingly good farmers, and others who lived affluent lives and were respected by other members of the community provided their private property to raise funds for launching an association. Such people took the lead in repairing the water channels, planting rice, assisting in rice reaping, giving technical guidance, and other activities. As the villagers cooperated with one another, such gatherings developed into an organization as a natural consequence. In Japan, joining a cooperative association is advantageous to all individual villagers in this way, and all of them became members.

When the necessary funds cannot be raised by the members alone, launching an association under the initiative of the wealthy leaders is an alternative. The important thing is not to be quick to receive foreign assistance.

8) Qualifications for the leader

The leader, the president of the association, is the key person of the organization. The leader should be elected by all the members with the candidates being chosen from each group. The roles of the leader include:

- ① Coordination among the villagers, and
- ② Negotiation with the merchants to build a cooperative relationship.

As the cooperative association handles the money of the members, the persons who are in charge of its management must be trustworthy. Usually, the secretary takes charge of the accounts as the person responsible for the administrative work. The selection of the secretary must be made very carefully.

The qualifications for the secretary are ① ability to do office work, and ② trustworthiness and a sense of righteousness strong enough to handle the money of others.

The president and the secretary are selected by consultation among the villagers. The secretary is appointed by the president as a matter of formality, but the support from the villagers is indispensable.

(When the activities of the association have developed favorably and need to be expanded further, the leader should also have sufficient connections to raise funds, and be able to negotiate with the governmental offices as his/her qualifications.)

To be recommended as a candidate for the presidency, it is important that he/she is always respected by

the people of the community. The election should be held every four years or so to prevent corruption.

4-2-3 What does the cooperative association do for the members?

1) Sale

At first, the association should start with an attempt to sell the products produced by the members to earn cash money. During this process, instruct them how to produce marketable products, and when, where, and to whom they should be sold.

(1) Sell on a consignment basis

The association should adopt a system in which it sells the products delivered by the producers (members) not by purchasing them, but on a consignment basis with a fixed-rate sales commission being paid to it by the producers. The reasons for this consignment basis are that the producers can be informed of the sales prices set by the association to keep the dealings transparent, and that the consignment system can prevent the association from the affects of price fluctuations.

The sales operations are the most important activities of the association. Tough negotiations with seasoned merchants and brokers are required, and the appropriate sales staff should be selected and trained while accumulating actual sales experience.

(2) Rate of commission, and due date and method of payment should be determined through consultation

When the baskets are produced jointly by more than one member, the payment should be made according to the work done by each member. However, many types of work are involved in basket production ranging from skilled work such as sewing by machine to simple labor work, and some jobs are carried out in the joint workplace while others are performed in the member's home. The method of payment in specific cases should be determined as rules by consultation among the members.

2) Procurement of materials

Observe the traditional principle, "Whatever is in the woods should be shared by all the villagers." The quantity of materials allowed to be collected in a certain period of time should be determined by consultation, and planting should be carried out at the same time to promote the sustainable use of the materials. They are the common property of the community.

When the materials are purchased from other areas, they should be purchased directly from the producers of the materials without the mediation of brokers. It serves as a good opportunity to know that it is important to get better materials at a lower price.

During the period shortly after the launch, when the association has only a small amount of funds to buy materials, start with small purchases that are affordable. This can also prevent the association from causing troubles for the existing material suppliers as they may complain about the direct purchase by the association. If any loan from a public agency is available, it should be utilized. Do not borrow money in advance from merchants, traders, or others to whom the baskets are to be sold. Doing that would leave the association in a weaker position in negotiating the prices of the baskets.

Merchants and trading firms may propose to pay for the products in advance. Receiving advance

payment will make it impossible to negotiate with them on an arm's-length basis. Take some measures by consultation among the members so that the necessary materials can be purchased with the funds and commissions on hand. Such consultation about making the shift with small funds is a part of the necessary activities of the association.

3) An example of joint purchase of fertilizer (a Japanese case)

(1) Repacking into small bags

Every farmer needs fertilizer, but cannot afford to buy it in a large quantity as it is expensive. Individual farmers purchase 3 to 5 kg or at most 10 kg of fertilizer at a time. The fertilizer traders sell it in bags of 30 or 50 kg, and if the farmers want the traders to deliver the fertilizer by truck, they have to purchase 500 to 1,000 kg of it.

To solve this problem, joint purchasing was devised. The farmers place their orders to the association for the desired amount of fertilizer. The association brings all the orders together, buys the fertilizer from a fertilizer trader in a large lot, and repacks it into small bags of 1 kg and provides the repacked bags to individual farmers. The farmers pay the association for the fertilizer when they receive it. The association pays the trader from the money paid by the farmers. It takes some time after the delivery of the fertilizer for the association to pay the trader, but the association negotiates with the trader to accept the payment condition. If a large order is placed, the trader will make a compromise. The association offers purchase conditions that the trader considers more advantageous than doing business with individual farmers in terms of volume and collection of bills.

(2) Checking the ingredients of fertilizer

The quality of the fertilizer depends on the ingredients comprising it. However, it is impossible for the farmers and the association to verify whether the indicated ingredients reflect the actual contents. Laboratories and universities will not accept a request for investigation made by individuals or groups of farmers, but some of them will undertake the analysis of the ingredients if the association makes a formal request.

Public announcements of the results of such investigations dissuade the fertilizer traders from cheating. Moreover, if the association expands and places larger orders, the traders will offer better conditions in terms of ingredients, price and payment, and the farmers can obtain fertilizer of a better quality at a lower price.

It takes a great deal of time to establish such an efficient system, but the joint purchase has the potential of bringing a remarkable benefit to the farmers. Even if there are little funds on hand, the offer of a volume purchase can win a better compromise from the traders during negotiation. The joint purchase system can be started easily if there is someone to take the initiative.

(3) Seeing is believing.

In order to persuade the villagers to participate in the association, it is more effective to have them experience the merits of the joint purchase of fertilizer and joint sale of their products than to emphatically explain the benefits of organizing it in words.

4-2-4 Sale by auction at production center - Expansion of activities of the association

1) Expansion of activities in four steps

The job of selling starts with the retail sale by individuals or a group of villagers at the retail markets or street stalls in the villages. This sales method requires much labor, and the sales volume is limited. As the next step, the association sells the products collectively to expand the sales.

In the beginning, the association sells the products to the retailers in the retail markets in the villages and urban areas. When the association has acquired business knowhow and established a system of business operations after accumulating sufficient experience of sales activities and fully understanding the flow of products, the sales activities should proceed to the next step. A "wholesale market of the production center" should be founded where an open auction is held with the association being the seller, and the brokers and retailers being the buyers.

Such an auction market cannot be operated successfully unless the association has sufficient business knowhow and appropriate human resources. If the association sets the establishment of the auction market as its long-term goal, and makes step-by-step efforts toward it, however, it is by no means difficult to achieve it. It is important to organize a setting where both sellers and buyers can gain benefits.

1st step: Direct retail by the villagers

2nd step: Opening of a retail store or outlet by a group of villagers

3rd step: Organizing an association to sell products to brokers and retailers and export them overseas

4th step: Establishing a "wholesale market of the production center" with the association playing the leading role

2) Sales method at the wholesale market of the production center

- (1) The sales are made by auction, and the association sets the ① place, ② date, and ③ time thereof.
- (2) The seller is the association, and the buyers are the brokers and retailers registered to the association.
- (3) Method of sale:
The products are auctioned one by one, and sold to the buyer who bids the highest price.
The auction is open to the public. Large volumes of products are sold by lots.
- (4) Payment is made by cash.
- (5) The rules of the auction are established by consultation with the buyers. They are disclosed to the public.
- (6) Commission method:
The association sells the products on consignment from the producers, and receives commission from them. The rate of commission is determined by consultation.
The method of settlement with the members and producers is also determined by consultation.
- (7) Method of bidding:
Three methods of bidding are currently in practice; ① voicing the price, ② indicating the price with fingers, and ③ writing the price on a board. Method No. ③ is the easiest one. The

buyers write the price on a board with a piece of chalk, and show it simultaneously. The buyer who presented the highest price wins the bid. This method is repeated for all the products. It is a method widely used in Japan currently.

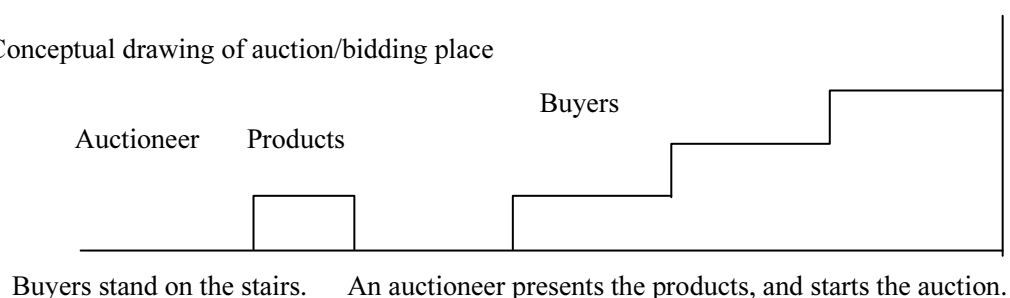
- (8) As the first step of the auction, show the brokers products that are considered to attract their interest most, and sell them to the one that offers the highest price. Devise a combination of quality and quantity of products to meet the needs of the buyers. Prepare the time and place for preview of the products.

Being puzzled by this method, the merchants may resist the use of it or even attempt to interfere with it. When they realize that the method is more convenient than the conventional trading practices, they will gradually accept it. By devising an auction method that is more convenient to the buyers, it will become established among them more easily. The merchants are not enemies to the producers but important customers.

When the "wholesale market of the production center" is first launched, various trials and errors are necessary. It is also beneficial to the merchants in that it leads to improvement in buying costs and an increase in profit. Through repeated consultations with them, a reasonable auction method that is most suited to the needs of the local buyers and producers will be developed. It is important to establish a Ghanaian-style auction method.

Once such an open price-building mechanism has been established, the price set at the auction will be used as the guideline of trade in various regions as the "market price of the production center" of Ghanaian baskets.

- (9) Conceptual drawing of auction/bidding place



3) Keys to making the market at the production center succeed

- ① The members deliver all the baskets they produced to the association. The association also sells the baskets produced by non-members on a consignment basis, or persuades them to join it. This means that the merchants cannot purchase baskets from anywhere other than the market run by the association. It is the most important key to success.
- ② Even if the market is small in scale at the beginning, its merits will be disseminated by word of mouth. As the varieties of baskets become diversified, various types of merchants will gather at the market as buyers.
As they get the baskets they need at the market, they will realize that it is more efficient to utilize the market than to visit the individual producers one by one. The synergy works to expand the activities of the association.

4) Merits of the sales method using the market at the production center

- ① The villagers can readily know what products are marketable at a high price and what are not. Those who produced products sold at a high price will be proud of themselves. It is effective to award prizes to the producers who achieve outstanding sales.
- ② The brokers and retailers can compare the baskets at the market and purchase those they desire without the need of visiting the producers one by one. They can secure what they need as much as they need, and can obtain information on what the competitors bought. Consult with the buyers to improve the rules of the market so that it is beneficial to both sellers and buyers.
- ③ As the quantity of products delivered to the market increases, the number of buyers entering the market also increases. When the interested parties realize that the market is beneficial to all of them, they will make efforts to expand the market. Thus, the synergy works to develop the activities of the association.
- ④ It is motivating for the villagers to see the trading place where the price of their products is determined. They will think about what they should do to increase their income.
- ⑤ The brokers and retailers may try to resist changes in the method of purchasing products. In the face of the new trend of distribution including the entry of large-scale supermarkets into the country and internationalization, the efficient functions of the market at the production center will be highly evaluated.

4-2-5 Entry into the overseas market - Export to developed countries

1) The system of sales to overseas markets

The sales system for overseas markets such as Japan and France should be completely different from that for the domestic market. The local villagers can understand what sort of products will be in demand from the brokers and retailers of the local markets in Ghana, but what products would be in great demand in Tokyo or Paris are beyond the reach of their imagination. It is far more difficult for the Ghanaian villagers to imagine such products than for the Japanese handicraft workers to produce products attractive to the people in Ghana.

Unless produced according to detailed instructions with regards to the design, quality of material, feel of the surface and other details, the products made by the villagers will not be marketable in Tokyo or Paris. With respect to the products for export, therefore, the association should place orders to the producers and purchase them by paying cash as promised instead of selling them on a consignment basis. Otherwise, it is difficult to continue the export business over a long run.

2) Key points for entering into the markets of developed countries - In the case of baskets and other handicrafts

- ① Products for export face fierce competition in the market, being selected by the consumers according to their diversified interests and preferences, and they are sold at high prices. As many difficulties are involved such as small sales volume, high transportation cost, high profit margin, need for advertising costs, and risk of dead stock, sales in overseas markets is not very profitable even if the products are sold at a price ten times as high as the buying cost at the local village.

Unlike the sale in domestic markets and markets in neighboring countries, it is a more realistic approach to use the sales channels intended to support developing countries.

- ② Opening outlet stores in such cities as Tokyo and Paris seems to be unprofitable. It is a good idea to ask the stores dealing in handicraft baskets to set up an exhibition corner for Ghanaian products featuring its culture as an African nation. The baskets may be sold on consignment or purchased by the retailer, depending on the sales conditions.
- ③ Trading firms are useful when it comes to sales in developed countries. It is difficult for the association to export directly to the retailers in those countries considering the complicated export and import procedures and foreign exchange risk, besides the tough negotiations with the foreign retailers.

It is imperative, however, for the association to obtain accurate information on sales in the retail stores in cities such as Tokyo and Paris. The representatives of the association should participate in the negotiation on the prices and other business conditions between the trading firm and the retail stores without fail. The information obtained indirectly via the trading firm will not be sufficient to persuade the producers to agree on the sales terms in developed countries. The necessary information can only be obtained by participating in the actual business transaction.

4-2-6 Role of producers association

This section has summarized the role of the producers association with the focus on basket production. The explanations given here also apply to other articles of folk art, handicraft, and agricultural products as long as the association aims to "take back for themselves the added value created by the producers in the Ghanaian agricultural villages through the activities carried out by their own organization" in order to increase their income.

The activities that can be materialized with the support provided by developed countries will readily bring profit to the local people in the short run, but they have the inherent disadvantage that they will all end in failure once the support is discontinued. Instead of denying the negative aspects of the traditional Ghanaian rural communities, it is important to understand that their products are the gifts of their tradition, and to cooperate with them in establishing an organization that enables them to do business on their own for the betterment of their lives by utilizing such tradition.

Fruits are harvested once annually, while vegetables are harvested two to four times a year. The baskets and other articles of folk art can be produced only during the periods when the materials are available, or in the slack season for farmers. It takes years for the villagers to realize the merits of joint activities.

When the activities of the association have progressed favorably and the joint sale of agricultural and handicraft products has been launched, the villagers can actually experience the benefit of the association as they receive profit. It will certainly take some time to reach this stage.

Therefore, a plan that aims to achieve short-term numerical results will not be successful. It is possible to expect at most that the seeds sown will bud. In Africa, it takes five to ten years after sowing the seeds until a rich harvest can be made.

4-3 Development of Agricultural Villages through Utilization of Local Resources

1) Utilization of local resources

The one product per one village movement, a measure by the Japanese government to vitalize local communities, has become widely known in overseas countries, and some of the African countries have started to implement the measure. In the case of the Bolga baskets mentioned in this report, the villagers took advantage of the basket weaving techniques handed down to them in the regions in the northern part of Ghana to produce the products that have been enjoying a good reputation in overseas countries. This can be considered as one example of this movement in Africa though the slogan, one product per one village, has not been expressly stated in connection with the baskets. In view of the current circumstances of the African nations, however, not all of them seem to be able to use the same vitalization method in which an increase in income is sought by making use of the local materials and techniques and selling the products outside the local area. It is because, in most of the countries, there are no industries other than small-scale agriculture. Also the population density is low, there are no sufficient networks of transportation including roads and railroads, and their communities are scattered over a wide range of areas and almost isolated from one another. Under these circumstances, it is by no means easy to produce marketable products appropriately by monitoring the market trends and delivering them on time even if the people in those communities have excellent techniques and products. Moreover, regardless of how high the expected profit is, they have no funds to purchase materials for the products.

Accordingly, this section suggests the method of "vitalizing the local communities by utilizing and consuming the local resources (both tangible and intangible)".

It is advisable to use the hidden tangible and intangible resources efficiently, reduce manpower, and use the time saved for other production activities. Locally produce the products purchased from outside the community to the extent possible. The money saved can be used on expenses as the funds for reinvestment. By repeating these activities, the productivity of the community will improve little by little, thus enhancing the living standard of the residents correspondingly. Such "activities of the local residents to utilize and consume local resources" should be widely promoted.

Case 1: Increased production and reduction of expenses can be achieved at no cost

In a semi-dry village in the Republic of Zambia, herds of cattle are pastured around it, and their dung can be found anywhere. Cattle dung alone can be used as fertilizer, and mixing it with the residue of agricultural products can produce compost. This will reduce the cost of purchasing fertilizer. The use of organic fertilizer will increase crop yields, and enhance the safety of the products. This in turn promotes the health of the residents and reduces medical expenses. The expenses for fertilizer saved by using cattle dung can be used as living expenses or diverted for investment use, and the reduction in medical expenses can be diverted to education expenses for the children. Emergence of such a virtuous cycle will facilitate the achievement of a self-sufficient society.

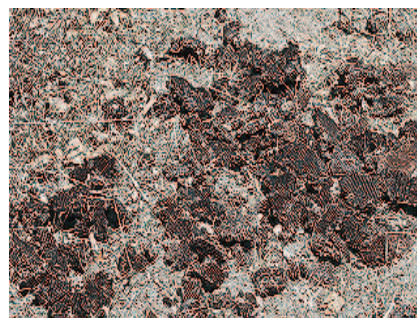
Case 2: Reducing working hours and environmental preservation can be achieved at no cost

Three stones as large as a man's head are arranged loosely near one another, and long sticks of wood thrust into their center from three directions are set on fire. This is a typical three-stone oven that can be seen anywhere in the country. As the area is highly dry, only low shrubs can be seen around there, and the sticks of wood are precious fuel that must be used sparingly. By arranging the stones more closely and daubing them with mud to bind them together, an improved oven can be made. This will not only reduce the consumption of firewood by half but also shorten the time required for cooking down to two-thirds or one half.¹ As a result, the time spent gathering wood and cooking can be used for other tasks. Furthermore, the use of improved ovens can curb the rate of reduction of woods in the area by half and thus preserve the environment.

By actively eliminating waste in everyday life and "becoming aware" of ways of using the time and resources saved effectively, the clues to the vitalization of the rural communities can be found.

Case 3: A case where the effective use of resources is possible if a trained expert in development of agriculture or rural communities is dispatched

In a community in a semi-dry area of the Republic of Kenya, honeycombs were left scattered on the ground after a honey badger attacked the beehives. Honeycombs are made of good-quality beeswax, which serves as a material for candles and creams. As it melts under the direct sunlight, it can be processed easily. A glass or dish with melted wax and a string inside can serve as a light. By soaking a string in the melted wax, a long piece of candle can be made without difficulty. It can eliminate the need for going into town to purchase paraffin wax candles, thus saving on household expenses.



Beeswax left scattered on the ground (dark brown matter)
(Photographed by the author in Kenya)

¹ Action for a Green Sahel, a non-governmental organization, provided 35 kg of firewood to a family of five in the Abeche region in the Republic of Chad, and measured the number of days required to consume it using a traditional three-stone oven as compared to an improved one. While the former oven used up the firewood in seven days, the latter took 18 days to consume it. The survey in the homes of Raya Therese revealed that the use of an improved oven instead of a traditional one reduced the firewood consumption, time required for cooking, and expenses for firewood by 67%, 27% and 57%, respectively.

Case 4: A case where keen insight of an expert made it possible to apply local tradition to a new product.

To find a handy method of making tofu in Africa, an expert observed the life of the local villagers, to begin with. Finally, he came across a traditional cheese-making method. The villagers mixed the milky liquid of *Calotropis procera*, a plant found everywhere on the roadside of the village, with cow's milk, and boiled them to make cheese. The expert mixed the milky liquid with soybean milk instead of cow's milk, and boiled them to succeed in making tofu. As this tofu-making method applies the local traditional technique, any villager can make tofu. Besides this birthplace of the African tofu, it is currently eaten in many countries in West Africa such as Benin, Ghana, and Cote d'Ivoire.



Calotropis procera

Many difficulties in assisting the development of local communities may be solved easily if advanced technology and equipment are introduced there. However, they may be too advanced for the villagers to master, and require new investment. The existence of an expert who respects the traditional techniques is indispensable in promoting assistance.

It is important to help the local villagers "become aware" of the usefulness of their long-standing traditional techniques, and use them as tools to eliminate waste in their daily life while carrying out activities to improve their living.

2) Through the eyes of a third party

The local villagers may become aware of the usefulness of their tradition through the eyes of a third party. An outsider can notice the tangible and intangible property left untapped in the community more easily, and implement improvements without being a victim of convention. On the other hand, if the person involved in assistance activities stays in the same community for a long time, it is possible that the residents may become dependent on such a person and lose their enterprising spirit. It is appropriate, therefore, that the foreign assistant should participate in the early stage of the activities only, and that the later stages should be left to the voluntary efforts of the local administrative bodies and the residents.

What an expert or a volunteer can do to improve the wide range of life and production activities of the residents is very much limited. It is important to build a network among the people involved in assistance activities and officials in administrative bodies to keep oneself always in touch with the latest information so that it can be reflected in the community in charge.

Experts should respect the local culture, be positive so as to become interested in anything new to him/her, and should be flexible enough not to be too insistent on his/her own techniques or experiences.

To help the residents become aware of their hidden resources and maintain the improvement activities for a long time, the existence of the dissemination staff and the community leader is indispensable. It is important to have them understand that the dissemination staff cultivates the soil, the leader sows the seeds, and the community residents supply the water by themselves to foster their activities. The role of the assistance organization is not to take the lead in the activities, but to foster the dissemination staff.

For that purpose, the assistant should provide hands-on training to the staff while consulting with each other every time an issue arises.

4) Fostering leaders and the residents' willingness to improve

Rural communities tend to be conservative. The hidden property found will not yield benefit unless the residents are willing to implement the improvement activities on a continuous basis. For that purpose, the community leader should understand the importance of the activities and take the initiative of promoting them to achieve success.

The farmers are busy doing their daily work to earn their living, and have no time to participate in new enterprises. The dissemination staff and community leaders should gather the residents, summarize their talks about the advantages of the community, and discover the hints of the hidden resources in addition to arousing their interest in the activities and making them willing to participate in them.

A workshop is an effective method of grasping the views of the residents. In Japan, the dissemination and other staff repeatedly visit individual residents to listen to their talks over cups of tea. Important hints for the activities can be obtained on such occasions, which means that it is important to develop a relationship built on trust. During the workshop, do not attempt to search for issues. Finding hidden issues may make the residents concerned about issues that are not really all that important, causing them to be more dependent on the administrative bodies and assistance organizations. The purpose of a workshop is to discover the advantages of village cooperation and to make the residents more confident and proud.

6) Holding exchange meetings among communities and villages

Information and human exchanges between producers and consumers, among fellow producers, and among producers in neighboring communities are essential for understanding the needs of each person or group and building their awareness toward improvement. It is hoped that communities and villages conducting similar activities should establish collaborative relationships and further promote their own merits by creating a synergistic effect.

The residents devised the tools that were the most appropriate for their lives, and handed them down from generation to generation, while adopting the techniques used in the neighboring communities during the course of that time. By promoting exchanges among communities and villages, it is possible for the residents to look at the techniques and customs of their own in an objective manner. They may be proud if some of their techniques and customs are superior to those of others, and may be willing to adopt those of others that are superior to their own. In the communities and villages located near the place of consumption, exchanges with consumers may make the residents become aware of the hints for improvement.

4-4 Fair Trade of Fiber Products

4-4-1 Outline of fair trade

Fair Trade is a concept that aims to build a fair trading relationship between the producers in developing countries and the consumers in developed countries, and its market size has been expanding rapidly in recent years.

Various Fair Trade organizations are operating their activities around the world, and there are roughly two approaches for putting this idea into practice. The first approach is the method of notifying the consumers that the specific product is offered under the framework of Fair Trade by putting a certification label on it ("Certification-Type"). Fairtrade Labelling Organizations International (FLO) is the representative organization adopting this approach. FLO certifies the products listed in Table 4-5-1, and to acquire the certification, they are required to meet the standards specified for each of the listed products (see Table 4-4-2). Most of the products subject to the certification of FLO are food products, and the only fiber plant product covered by the list is cotton.

Table 4-4-1: Products subject to the certification of Fairtrade Labelling Organizations International (FLO)

Food	Other than food
Bananas	Flowers and plants
Cocoa	Cotton
Coffee	Sports balls
Fresh fruit/vegetables	
Honey	
Juices	
Rice	
Herbs and spices	
Sugar	
Soybeans and pulses	
Dried fruit	
Quinoa	
Tea	
Wine	

Source: FLO Website

Table 4-4-2: Standards of FLO certification (excerpt)

Trade standard	Standard for small producers' organizations	Standard for hired labor situations
Establishment of traceability	Democratic operation of organization	Prohibition of child labor
Mutual agreement between producer and purchaser in contract	Adoption of environmentally friendly production method	Warranty of workers' rights
Long-term continuation of trade relationship	Prohibition of discrimination in connection with operation and membership of organization	Maintenance of safe working environment
Partial advance payment for products	Prohibition of production of genetically modified organisms	Implementation of community and social development project
Guarantee of minimum price and payment of premium	Compliance with ILO Treaty provisions pertaining to working conditions	

Source: FLO Website

The second approach for putting Fair Trade into practice is the method in which a specific Fair Trade organization exclusively controls the whole supply chain process from production of merchandise to retail sale ("Partnership-Type"). An organization that aims to put into practice and disseminate the idea of Fair Trade plays a central role in all aspects of the Fair Trade activities including provision of guidance to producers, purchase of products, import and sales, and actively provides the consumers interested in the products with information about the producers. The most distinguishing characteristic of the Partnership-Type approach is that the Fair Trade organization does not deal in limited categories of products but in any type of product that falls within the framework of Fair Trade. Most of the fiber plant products distributed in the Fair Trade markets throughout the world are under the control of such Partnership-Type Fair Trade organizations. The World Fair Trade Organization (WFTO)²⁾, a controlling body of the Partnership-Type Fair Trade organizations, has its own code of conduct (see Table 4-4-3), and only the Fair Trade organizations that comply with it are authorized to use the WFTO mark (see Fig. 4-4-2). It is a so-called Fair Trade certification mark for the Fair Trade organizations, which warrants that the products sold by the organization using the mark are all offered under the framework of Fair Trade.³

² FTO was formerly known as the International Fair Trade Association (IFAT), and renamed to the present name in 2009. "Certification-Type" and "Partnership-Type" approaches to Fair Trade are not mutually exclusive, and it is not unusual that the products sold by a member organization of WFTO bear the certification label of FLO.

³ There are many Fair Trade organizations that are carrying out their activities without WFTO membership. The fact that they are not WFTO members does not necessarily mean that their products are not in accordance with the valid concept of Fair Trade.

Table 4-4-3: Code of conduct of WFTO

- | |
|---|
| <ol style="list-style-type: none"> 1. Creating opportunities for economically disadvantaged producers 2. Operation of organization ensuring transparency and accountability 3. Realization of a fair trade relationship 4. Payment of a fair price 5. Prohibition of child labor and forced labor 6. Non-discrimination, gender equality, and freedom of association 7. Securing of a safe and healthy working environment 8. Capacity building of producers 9. Promotion of Fair Trade 10. Environmentally friendly production |
|---|

Source: WFTO Website

As of the time when this report was written (January 2010), the WFTO had not yet launched a project to authorize the use of the Fair Trade certification label on individual products. As the FLO certification does not cover handicraft products, there is growing demand by the producers in developing countries to attach a Fair Trade certification label on such products. The WFTO has been considering a system of certifying not only the organizations but also the products on its own (according to the WFTO website). If the WFTO's system of certifying products materializes in the near future, many of the fiber plant products are expected to be subject to such certification. Special attention should be given to the future trends of the WFTO.

4-4-2 Fair Trade of fiber plant products

In the world market of Fair Trade products, the "Certification-Type" Fair Trade products bearing FLO's certification label account for 90% of the total volume of sales, and the market share of the products sold by the "Partnership-Type" organizations has remained at 10% (Krier, 2008). Fiber plant products excluding cotton products are a part of those sold by the "Partnership-Type" Fair Trade organizations, which account for 10% of the total sales volume, meaning that the share of fiber plant products in the total sales of the Fair Trade products is by no means large. Also, the items of fiber plant products distributed in the Fair Trade market are limited in number (see Table 4-4-4), and the size of their demand is far smaller than that of food products, which enjoy extensive and continuous demand. The sales of the main "Certification-Type" food such as coffee has been expanding rapidly, as leading retail chains including supermarkets have launched their sale. Due to their nature, it is difficult to distribute fiber plant products via the sales channels of such large-scale retail chains, and they are sold through a limited range of sales channels, namely, retail stores dealing in Fair Trade products, or mail-order sale. As mentioned above, fiber plant products are different from the majority of Fair Trade products such as food in terms of market size and sales channels. They constitute their own niche market within the market for Fair Trade products, which itself is already a niche market.

Another distinguishing characteristic of fiber plant products is that they have to face more fierce competition with other similar products. Most of the products subject to the FLO certification are

large-volume consumer items, which are almost identical with other general products in specifications, quality, and external appearance. When they are exhibited together in the same space in the retail store, the fact that "they are Fair Trade products (with the certification label attached)" itself is an advantageous factor that can differentiate the Fair Trade products from other general products to make them stand out. On the other hand, in the case of fiber plant products such as bags and baskets, the consumers place prime importance on the design, quality, functionality, fashion, etc. of each product. The superiority of being Fair Trade products diminishes, and the consumers will not be interested in the Fair Trade products if they are inferior to other products in design and quality. Fiber plant products should be attractive in their own right without expecting to take advantage of the Fair Trade branding.

Therefore, it is necessary for the producers of fiber plant products intended for the Fair Trade market to obtain accurate information on the needs in the consumer countries (developed countries), the characteristics of marketable products, the designs and functions required by the consumers, etc., and take appropriate measure to address them. It is difficult for the producers alone to obtain such information, and close collaboration in partnership with the Fair Trade organizations in the consumer countries is essential. Furthermore, the partners in the consumer countries need to be involved in the entire process of production as actively as the private competitor manufacturers of similar products by making such efforts as developing products that meet the needs of the consumers and providing feedback of the knowhow thus obtained to the producers. The days when the existing products were imported and sold as Fair Trade products without making any changes are gone. Both the producers and the Fair Trade organizations in the consumer countries should acquire an ability to develop products that can survive the fierce competition with the competitors, and make strenuous efforts in sales promotion.

Table 4-4-4: Examples of Fair Trade organizations selling African products using fiber plants

Name of Fair Trade organization (country)	Product (raw material)	Producing country
SERRV (U. S.)	Basket	Uganda, Rwanda and Ghana
	Bag (sisal hemp)	Kenya
Traidcraft (U. K.)	Basket (oil palm)	Malawi
Ten thousand villages (Canada)	Tablecloth	Burkina Faso
	Basket (raffia)	Uganda
Fair Trade Company (Japan)	Bag (baobab fiber, sisal hemp)	Kenya

Source: Website of each organization

<Reference>

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- 6) World Fair Trade Organization (WFTO) website (<http://www.wfto.com/>)
- 7) Fairtrade Labelling Organizations International (FLO) website (<http://www.fairtrade.net/>)

4-5 On-Site Report of Development of Fiber Products - The Case of Oudomxay, Laos

Taking up as an example the activities for the development of fiber products in the Lao People's Democratic Republic (Lao PDR), a project which the author carried out under the United Nations Development Programme (UNDP) and with the financial support of Japan International Cooperation Agency (JICA), this section explains what it means to develop products out of the fibers that the local residents have gathered in their sphere of life to use for their living in order to increase their income, while touching upon the changes in their awareness and the processes required for commercialization. The viewpoints and procedure required in developing fiber products can be widely applied to other regions of the world including Africa. It also described what was necessary and what was to be focused on during the process from the search for fibers available for commercialization up to the sale of finished products. The author hopes that this on-site report of the fiber product development will prove helpful to those engaged in the corresponding activities in Africa.

1) Search for fibers

As a member of the staff in charge of product development in the Income Generation Activity (IGA) project, my duties were to find potentially profitable fiber products from within the sphere of daily life of the local residents who lived in a mountainous region and had no means of earning income, and to establish the sales channels for the products, thus improving the income of the residents. The first thing I did after the arriving in the region was to visit the village frequently, and check their living implements. At the beginning of such occasions, it is important to visit the residents together with a person trusted by them. This makes it possible to search inside their houses and around their sphere of living, and to hear what is actually on their minds. In other words, it makes it possible to build a relationship of trust, which is the most important key to success in developing products in cooperation. Moreover, the names of the fibers the villagers have planted for a long time will not be uttered in the formal interview. They are deeply rooted in their daily lives, and are not worthy of special mention. Such buried fibers can only be found by walking around their houses and sphere of life as a trusted friend.

As a result of such efforts, three natural fibers were found as potential materials for product development; manually-spun cotton yarn of the Lao Lue tribe, yarn of the Khmu tribe, which is spun from the kudzu vine of the pulse family, and hemp yarn of the Hmong tribe. Here, the product development using yarn spun from kudzu vine is introduced.

The peoples using Austro-asiatic languages such as the Khmu tribe are living extensively on the Indo-Chinese peninsula, and they have traditionally knitted bags and fishing nets out of yarn spun from the kudzu vine. After repeated moves required by the migration-to-lowlands policy of the Laos Government, the Khmu tribe is now living in the northern part of Laos, and spinning of kudzu yarn is no longer a part of their daily lives. Therefore, the process of gathering fibers was nothing but a "troublesome" chore they did not usually have to do. At the beginning of the product development, they could not associate the resumption of the troublesome process with the improvement of their income, and participated in the activities quite reluctantly.

2) Building of a group and spinning of kudzu yarn

What motivates the conservative villagers most is the actual experience of earning money from their activities. It is difficult to make them willing to participate in the activities of commercializing fiber products using a tradition that was almost abandoned. Once they have actually received money, however, their awareness changes abruptly, and the product development activities progress smoothly.

Next, group building is an important procedure of fiber product development.

When the villagers are reluctant to join the activities that are completely new to them as mentioned above, the existence of a leader is indispensable for helping them take the first step. The leader should be familiar and a person who is trusted by the villagers. By building a group together with such a leader, they gain the awareness that they are cooperatively engaged in the new activities as well as having a feeling of security.

As the leader takes the active initiative, and the group goes through the process such as the gathering of kudzu, collection of fibers, and spinning of yarn in close cooperation among the members, group awareness will be fostered, which is an important factor to advance the fiber product development.



Photograph 4-5-1: Only the best fibers of kudzu are collected and dried. Once they have been dried, they can be readily worked on. The villagers spun yarn when they had time to spare while doing household duties, caring for children, and doing farming work.

3) Elaboration of products as articles for sale

When the yarn has been completed, a product is developed by using it. A bag knit with good-quality kudzu yarn looks beautiful and is of great value. As articles of merchandise, however, there was much room for improvement. The joints of yarn thrust out from the bag, and the handles were made of plastic yarn, spoiling the beautiful gloss of the kudzu yarn. Moreover, to elaborate the products to make them attractive enough to arouse the interest of the consumers, it was necessary for the villagers to understand the basic concept of quality maintenance. It took two years until a certain fixed quantity of good-quality yarn could be supplied on a stable basis.

4) Limitation and future tasks of the public assistance organization

The most regrettable thing about the IGA project run by the UNDP was that it was impossible to carry out

sales promotion activities actively. Sales promotion activities mean, in this case, a partnership with private enterprises for the purpose of securing sales channels for the fiber products. It is by no means easy to create products that private enterprises desire to handle by forming a partnership. In order for the villagers to earn income from their fiber products on a continual basis, the public assistance organization, which can be involved in the development activities for a few years, can contribute to that purpose only to a limited extent. Viewed from another angle, forming partnerships with private enterprises located adjacent to the consumers and the market, and assisting them is part of the development activities aiming to secure the stable source of income of the villagers. Long-lasting improvement in their income through the sale of their products cannot be expected unless profit-making enterprises are involved.

The most important benefit that the public assistance organization can provide in participating in the project of developing fiber products is that it can foster the human resources required for that purpose. In developing countries, the idea of finding potential fibers in the village that had been hidden from plain sight and developing them into profitable products cannot be fostered easily. Even if such products can be successfully developed, the spirit of entrepreneurship required to make profit from them, maintain the profit, and further expand it is difficult to accomplish. Both capabilities are the minimum requirements for developing and selling products, and gaining profit continuously. If such capable persons are nurtured in remote isolated regions far away from the capital of a developing country, the local village would acquire the potential for developing fiber products on their own without any help from foreign experts. This will have a huge positive impact on the villagers. A few training experiences are insufficient to nurture the human resources. When working with counterparts (C/P) in a long-term project, the assistants should do their utmost to nurture not only the capability for doing the jobs actually assigned to them, but also the capability required for the future development of the local village. It is the most important task that the public assistance organization should perform, and should never neglect. The buyers interested in the native products are concerned mostly about whether the local producers have a strong sense of commitment and responsibility. Profitable native products can be developed only if the producers desire to make even larger profit out of them. Through a series of activities experienced in Laos, the author is convinced that the successful activities of fiber product development that brings long term future profits can only be realized by nurturing local experts who can fully participate in it and a spirit of entrepreneurship to seek expansion of the activities as a business.

5) Conclusion

The process and tasks of fiber product development mentioned above are only those experienced in Laos. To find potential fibers and assess the feasibility of developing products using such fibers, it is absolutely necessary to understand the background of the country including its culture, economic infrastructure, and regional development. Without such consideration, there is likely to be a risk of causing confusion in the region. Whether in Asia or Africa, this is the basic understanding that every assistant to be engaged in a project of developing native products needs to have. It is also important that the local capable persons, who understand the local region most, should take the initiative in the project, while necessary training and education should be provided to them so as to nurture them.

The procedure of fiber development can be summarized as mentioned in the case of Laos above. However, the regional development including fiber development is multifaceted, and considering the

backgrounds specific to each region, there are as many methods of regional development as there are regions, so to speak. Based on this understanding, the minimal objectives required in developing fiber products based on the sustainable development of the village are listed as follows:

- ① Make the direction of the development consistent with the regional development policy of the local government.
- ② Focus on the traditional techniques.
- ③ Do not introduce techniques new to the villagers.
- ④ Nurture human resources capable of participating in product development.
- ⑤ Foster a spirit of entrepreneurship.
- ⑥ Form a partnership with private enterprises.

The introduction of new techniques mentioned in ③ will be made possible when local persons capable of looking at the project from a long-term perspective have been nurtured, and the villagers involved in the product development have been fully motivated. It should be kept in mind that putting more emphasis on new techniques and new designs from the outset may cause confusion among the villagers and even invite intense resistance.

The methodology of fiber development in a region should be established by the persons who are involved in the region's future by taking time to fully understand the circumstances thereof. In order to develop the local materials and expand the business, understanding the region is as essential as finding the potential fibers. The author wishes the very best of luck and success to the persons to be engaged in the fiber development projects in local regions.