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Head and Hands in the Cloud: Cooperative Models for Global Trade to be found in Traditional Crafts

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Abstract: Until recent times, the standard globalization model has been to maximize profit by moving manufacture to locations where wages are low, and there are fewer obstacles, such as environmental standards. This model has been supported by a form of branding which elides the means of production, separating consumer from producer.

The emergence of online trading platforms promises to bridge this gap. Both eBay and Amazon have recently created virtual stores for connecting ethical consumers with poor craft producers. Meanwhile, alternative platforms seek a similar connection in a cooperative framework, such as a Non-Government Organization (NGO), Just Change, in Bangalore.

This paper compares the corporate and the cooperative models for ethical trade. From this review, it proposes a model emerging from the three-year Sangam Project that seeks to give market value to the relational practices involved in the design, production and sale of handmade craft products. The aim is to find a place for traditional craft practices otherwise displaced by globalization and urbanization. The platform presumes a three-way partnership between craftspersons, designers and consumers. Though limited primarily to gift products, it is proposed as a model for other trading practices.

Keywords: Globalization, craft, e-commerce, offshoring, capitalism

1. Introduction

On 24 April 2013, an eight-storey building collapsed in Savar, just outside the capital of Bangladesh, Dhaka. Rana Plaza contained a garment factory that produced clothing for Western markets. The final death toll was 1,127, the largest in the history of the garment industry.

Like the September 11 collapse of the twin towers in New York, the destruction of this building revealed a global divide. Rather than a religious difference between Islam and the West, the mass deaths revealed an economic fault line that separated the workers desperate to earn \$50 a month and the Western consumers looking for a bargain.

What is the appropriate response to the Rana tragedy? One alternative is to reduce the practice of offshore processing and manufacture (offshoring). However, it is argued that there is mutual benefit in this arrangement, involving jobs for economic uplift and cheap prices for consumers. But the question arises of its longer-term trajectory. Analysis of global offshoring (Levy 2005) suggests that the mutual benefits of such trade are capped by a glass ceiling, preventing ascension to higher skilled work. Without denying the structural inequity, it is hard to ignore the calls from local workers that overseas companies retain their operations in Bangladesh. Another response to this scandal has been to address the specific problem. Many companies have signed on to an ‘Accord on Factory and Building Safety in Bangladesh’, involving regular building inspections. While this is a useful response to the immediate problem, it does not address the broader issues. Moreover, it still does not concern itself with problems such as working conditions and low wages.

But the most telling response has been simply the concern to learn more about what goes on behind the scenes in the global supply chains. Speaking on behalf ordinary consumer—who naively looks for the most convenient and cheap source of clothing—the United Kingdom’s Deputy Prime Minister, Nick Clegg stated,

‘I’m not pretending our shopping choices are done on some sort of moral calculator, far from it. You go to the most convenient shop, you buy what’s affordable, you try and get what you can in an affordable way for your kids ... I’m saying ... there’s more we could do to talk about what goes on behind the scenes and this terrible catastrophe might well prompt people to think again’ (Clegg, cited in Mason 2013).

In Australia, Fairfax print media (Doherty 2013) and ABC television current affairs have both sent journalists to background the lives and opinions of factory workers. Kerry O’Brien introduces the Four Corners episode *Fashion Victims*, by reflecting on the contemporary dilemma, ‘they are easier to buy if you don’t have to think too much [about] how they got here’ (O’Brien, cited in Ferguson 2013). The invisibility of production is an enduring issue in globalization. Despite the post-industrial conditions of most Western cities, Slavoj Žižek (2012) argues that the same class dynamic exists today as occurred in the nineteenth century. Whereas the proletariat was once visible as the great unwashed in poorer suburbs, they have been exported to distant locations such as southern China (Žižek, 2012).

This paper considers whether global consumerism is necessarily dependent on the withholding of its guilty secret. It looks to other models for transnational relationships that offer greater transparency.

2. World craft

An alternative though much less travelled pathway in object production exists in the area of world craft. A number of Australian designers have established projects in countries such as India where they work with groups of artisans to add handmade elements to their garments (Murray 2010).

For instance, the Australian weaver Liz Williamson, honoured as a Living Treasure of Craft, has developed a ‘Made in Asia’ range of scarves that are woven in West Bengal to her designs. Williamson has been travelling to India regularly for a number of years and

developed close relations with a particular weaving studio the village of Fulia. This range sells at a lower price than those she weaves herself. Williamson has adapted the traditional form with new colours and shapes. At a conference in 2012, Make It New Again (NID), she admitted that she was resigned to having her designs copied within India, though she prefers that these copies compete in her local Australian market. While there is a clear economic differential between the designer and weavers, the situation is not a 'race to the bottom' where producers are hostage to undercutting from alternative cheaper providers.

The weaver's labour is valued as a skilled process that adds value to the final product. This value has a number of elements. The relative rarity of the craft grants the garment a high status. The tribal identity of the maker provides the wearer with an exotic story to tell. And in some cases, it offers the buyer a story of themselves as exercising moral agency in contributing to economic empowerment, particularly to women, or helping to save an endangered craft. By comparison with industrial goods, the trade in world craft is tiny. Its market ranges from serious collectors to gift-buyers in shops like the OxfamShop. But in its respect for labour, it does provide an alternative model for global manufacture, reflecting the call in the textile industry for 're-crafting capitalism' (McClellan 2005).

3. The world craft supply chain

As with manufacturing generally, the supply chain in world craft is growing in length and complexity. From the traditional contact of family or village production, where there is a relatively direct relationship between the producer and user, capitalism has introduced a number of roles including importers, retailers, marketers and publishers. For the purposes of analysis, this chain has been reduced to three roles: labour, capital and user.

The artisan provides the labour in world craft. It is estimated that in India there are up to 200 million artisans (CCI 2011), mostly in the informal handloom sector. In the traditional model, the artisan maintains a skill often passed down through generations. This skill is honed through a lifetime of repetition, learnt initially as an apprentice and further developed until acquiring the status of master. This traditional artisan is positioned against that of modernity. The process of industrialization threatens to replace their hands with machines. Globalization floods their local market with cheaper imports. The artisan is thus seen as a threatened species, a carrier of intangible cultural heritage.

This problem has become an opportunity for capital. Obviously, traders are not new to the economy of world craft, but more recently there have been a spate of designers from Western countries seeking to work with traditional artisans, ostensibly to save their dying crafts. Principally, the designer seeks for a way to connect the traditional village artisan with an urban market.

Within Asia, US entrepreneurs have developed some significant craft enterprises. In the 1960s Jim Thompson revived Thai silk as an industry (Kurlantzick 2011). In India today the FabIndia chain established by Robert Bissell is selling work by 40,000 artisans (Singh 2010). In their wake of these post-war entrepreneurs is a generation of young graduates from design and business courses in USA and Australia looking for ways to use new e-commerce tools for trading craft online.

Product development involves design modification including new colour ways and uses ranging from camel rugs to laptop bags. The design usually makes the initial investment of time and money by travelling to the villages and paying up front for the labour and materials, in the hope that they can recover their costs through sales back home.

As a market-based enterprise, it's critical to consider the role of the user in the supply chain. The consumerist paradigm sees the user as the end point of the supply chain. Once money is exchanged, then the product disappears into the private sphere (Appadurai 1988). But there are alternative ways in which this supply chain can be fulfilled. In the case of world craft, the products can be purchased by collectors who maintain an enduring interest in the history and future of a specific craft, such as rug making. The value of these products also lends to their use as heirlooms, to be passed down through generations. There is potential for users to take on the role of custodians, seeking to honour the traditional values of the producer in the way they are incorporated into everyday life.

The emerging platforms for world craft position the user not just as a consumer but also as an active participant alongside designer and artisan in the production of value.

4. Urban market

Compared to the disposable labour that constitutes the garment industry, these world craft enterprises involve a more socialized supply chain, embedded in everyday life rather than industrial routines. This does have some negative implications. For a traditional artisan, there are competing demands that can interrupt supply. These involve not only the religious festivals but also the social obligations that can take precedence over promises to people on the other side of the world.

But much value is also gained. Besides the aesthetic qualities of handmade goods, they offer the user a connection to an idyllic world filled with meaning. The Australian potter Sandra Bowkett has been working with traditional potters in Delhi, bringing them to Australia and facilitating sale of their iconic water vessels, *mudkas*. While these would sell for around \$1 in India, the potters were astounded to see their everyday objects being sold for \$60 in Melbourne. Given access to tap water and the more portable alternative of plastic bottled water, the appeal of *mudkas* was not so much in their utility but in the world they conjure. This world was demonstrated by live pottery demonstrations in the exhibition gallery.

The standard set up of the retail shop floor is not conducive to the symbolic value of crafted goods. There is limited access to information about where products come from. The limited space of the swing tag conventionally will only give details of the country of origin. There are some certifications such as Fair Trade that promise social and environmental standards in production, but they offer little detail of what happens behind the scenes. While browsing crafted goods, the shop assistant may attempt to convince a wavering customer by telling a story about the product under consideration. The customer may then 'try on' the story when thinking about its recipient, such as friend with an upcoming birthday. This story can be related on the day during the ritual of unwrapping the present. Ideally the values represented through the story, such as respect for tradition, can be something that the giver and recipient share in their relationship.

But there are clear limitations. In the retail context, the story exists as a static narrative. There is no reverse exchange for the user to share with the artisan how they used their product. Such exchanges are limited to the regular craft markets where customers might return to vendors to report on how well the product performed.

It is only now when alternative online marketplaces are emerging that the potential for reciprocal exchange becomes evident.

5. E-commerce

‘One of the earliest trading platforms unique to the Internet, the online auction house eBay, was established in 1995. A key innovation was the capacity for customers to communicate directly to sellers and rate their experience. This record of evaluations underpins what has been termed the “reputation economy”’ (Botsman 2012).

5.1 User-Capital

The World of Good platform was an extension of eBay into ethical consumerism. Two business graduates of Indian descent from Berkeley, Priya Haji and Siddharth Sanghvi founded it in 2004. Previously they had supplied mainstream retail products by third world artisans for companies such as Disney and Hallmark. In 2010, their brand and related assets were acquired by eBay. The World of Good site within eBay offered products made by poor communities around the world.

There are many such online retailers of third world products, but World of Good was distinct in the development of a platform that commodifies trust as a component of the final product. World of Good worked with organizations known as Trust Providers, who provided a guarantee that the products they were selling were of genuine philanthropic benefit. These benefits were divided into social and natural. The overall system was known as *trustology*. An essential component of the trustology is what was known as the ‘goodprint’ that included details of the product’s positive moral impact. It’s like a food ingredient label, except for ethics.

So with the case of the Cotton Rounded Hill Tribe shoulder bag, the Trust Provider known as Empowerment Works had verified the seller. The product’s goodprint included ‘a cooperative organization’, ‘produced communally by women in a minority tribal group’ and made ‘from biodegradable materials’. As a trading platform, eBay enables communication between buyer and seller, as well as a rating system. World of Good had a parallel capacity for dialogue. Each seller has a section on the site where they can communicate with the buyer. However, the basic moral lie of the land is a world of good rich people purchasing goods from grateful poor people. The potential for exchange is constrained by this missionary meta-narrative (Black 2009).

In August 2012, eBay incorporated abandoned World of Good as a separate platform and directed ethical consumers to green.ebay.com, a categorization of eBay trade associated with social and environmental sustainability. In the meantime, an Australian, under the name Shop for Change, has adopted model similar to World of Good.

Such initiatives are always vulnerable to the criticism that they mask this global divide. They can be seen to allay anxieties about exploitation by filling the screen with smiling faces. James and Scerri argue that the self-affirmation promoted by much ethical consumption constitutes a 'deferral of an alternative politics of consequence' (2012, p. 225),

'Under the aegis of abstract, market-oriented, and neoliberal-democratic conditions, existential problems seem to enter sociality as ever-further opportunities for the satisfaction of sovereign desire through consumption of ethical lifestyle opportunities' (James and Scerri 2012, p. 238).

While arguable in a theoretical vein, the impact of such critiques is to widen the distance between theory and praxis. There is currently at play, dialectic between the private consumer and connectedness that is generative. There is potential to envisage a path forward that leads us beyond the narcissism of philanthropic capitalism towards a more reciprocal relationship. It is unlikely that we will ever reach global equality, but we can imagine getting closer.

5.2 User-Labour

More recently, platforms have emerged that offer a more direct exchange between user and labour. In the crafts, the most successful has been etsy.com, established in 2005. It now has 22 million members and has a turnover of \$895 million (Etsy 2013). As well as providing feedback on the exchange, visitors to the website can communicate with the seller directly. The goods sold tend to be DIY non-traditional goods involving low-level craft skill, responding to the US culture of self-reliance, celebrated in the Renegade Craft Fairs, Maker magazine and the Craft Nation documentary.

But unlike the cosmopolitan nature of world craft platforms, Esty is more parochial. CEO Chad Dickerson has recently positioned Etsy in opposition to the commerce that led to the Bangladesh tragedy (Chappel 2013). At the moment, you cannot navigate Etsy by country. It is not set up for an interest in world craft.

However, Amazon has customized their e-commerce platform for world craft. In 2010, one of their engineers Gurushyam Hariharan established an ethical subsidiary called Equal Craft. This site guides visitors directly to artisans where it provides a photograph and short biography. Uniquely, it offers the opportunity to leave a message for the artisan. However, the network seems limited to one NGO, Kala Raksha, which provides effective access to artisan portfolios.

While innovative in providing a seeming direct connection between consumer and artisan, it leaves many questions unanswered. How does the message get to the artisan? Who translates it? What does it mean? Equal Craft seems limited as a conduit for exchange along the supply chain.

5.3 Capital-Labour

Not all platforms are focused on selling. Some are there to connect capital and labour for product development, prior to sale. Indiamart offers a directory of manufacturing services and products for foreign trade. In the case of designer-artisan partnerships, UNESCO has been promoting these partnerships in their transition from heritage to market as a focus of cultural conservation. In 2005, the NGO Craft Revival Trust was supported by UNESCO to

develop the publication *Designers meet Artisans* to advocate for the service of designers to traditional crafts (CRT 2005).

Social work graduate Rebecca Kousky established Nest in 2006 after her volunteer experience in Mexico and India. Nest connects artisans with the capital they need for business and product development. A Needs Catalogue identifies projects requiring capital for their completion, such as the creation of a centralized weaving facility for the 'dying craft' of silk weaving in Varanasi. This initiative reflects the growth of micro-financing, like the crowd-funding philanthropic site Kiva. Nest Collaborative enables design of products for specific retailers, such as American Eagle Outfitters (Nest 2013).

In 2012, GlobeIn launched a parallel platform that matches artisans not with investors but with advocates. The platform came from the experience of an Italian business graduate, Anastasia Miron, who posted on Etsy images of craft that she admired while travelling around the world. But because the artisans had no access to the Internet, they couldn't sell their work online. With the help of Vladimir Ermakov, a software engineer for Netscape, she developed a platform to accommodate offline components. What's unique to GlobeIn is the role of artisan helper, a voluntary position which takes images and videos of artisans that are uploaded to the website. There are also regional managers who process the individual sales, taking responsibility for payments and postage (GlobeIn 2013).

What seems significant for GlobeIn is the way it makes visible the role of the Western consumer as virtual trader. Coming from a wealthier country, helpers can acknowledge their appreciation of the time with an artisan by connecting their host to this foreign market (*Ibid*).

5.4 User-capital-labour

The IOU Project takes this one step further by granting visibility to the user. Indian-born fashion designer Kavita Parmar had established a successful clothing business in Spain until the financial crash of 2008. While others looked to offshoring production in China in order to lower prices, Parmar explored the potential for technology to reach into the informal textile sector. She chose to focus on Madras, where there were 250,000 families working on handlooms. Working with the coops, she recruited 243 weavers who produce a range of patterns in the traditional Madras plaid. These cloths are then shipped to Spain where they are assembled by local artisans into different fashion items. When users purchase these on the website, they are taken along the supply chain, showing images of the weaver and artisan. There's often a short video without sound with the artisan standing in front of the workshop. After purchase, buyers are encouraged to upload an image of themselves wearing the received clothing.

For Parmar, this is a wholesale setup that saves costs of retail outlets while offering an authored product with additional meaning. She feels in this way that she can support the craft sector to a broad market, 'including the 80 per cent who aren't interested in saving the world' (Kavita Parmar, 2013, pers. comm., 1 July).

Making the customer visible counters the power relations implicit in many charities, which focuses exclusively on the interests of the needy, rather the acknowledging on the desires of the donor. It's possible to read into this narrative a sense in which the weaver, artisan, designer and wearer are joined together in the shared journey of the product, from its origins in tradition to its destiny in everyday wear.

Of course, it could go further. Missing from this supply chain is the designer, notably Kavita Parmar. By placing herself in this picture, it opens up the question of her interests in this enterprise.

6. New questions

The development of e-commerce craft sites present useful models for alternative circuits in global trade. The response to the scandals of outsourcing has thus far been for more regulation. But there is much opportunity in developing platforms that engage the consumers as active agents in the construction of relationships across the supply chain.

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