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# **Alternative Trading Organisations:**

## **A Case Study of the Trade Aid Movement in New Zealand**

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**A thesis submitted in partial fulfilment of the  
requirements for the Degree of Masters of  
Philosophy in Development Studies**

**Massey University of Palmerston North**

**March 1993.**

## **Acknowledgments**

With thanks to the Trade Aid Movement for their co-operation and support with this research, in particular Dennis Small of Trade Aid (Importers) Ltd and the volunteers, staff and board members who participated in the survey.

I would also like to thank my supervisor, Dr. Colin Michael Hall for his advice and support and to Chris Daly for his editorial assistance and supportive encouragement throughout the study.

Thanks also goes to Assistance Professor Croz Walsh of the Department of Development Studies at Massey University who also supported this research and for trusting me and to Lynne Joiner for her help in pulling it altogether.

To family and friends I also give thanks for their continual support and encouragement which helped the completion of this study.

## **Abstract**

This research provides a study of an alternative trading organisation (ATO). It outlines international ATOs, their origins and development, their objectives and activities as well as the trading relationship with their trading partners. The New Zealand Trade Aid Movement's origin, development and growth, their objectives, activities, operational and organisational structures, trading partners and products are examined in greater detail. The Trade Aid Movement's volunteers, staff and board members' motivations, understanding and perceptions of the Trade Aid Movement are also analysed.

The research identifies a number of issues and dilemmas the Trade Aid Movement has faced in the past and how these have shaped it. It highlights the inherent contradictions between the Trade Aid Movement's educational and social goals and its economic goals and the challenges it faces in an environment where success is marked by profit and determined by market forces.

Indeed, the decisions and choices the Trade Aid Movement makes now will have a huge impact on the growth and development of it in the next decade. Whether, or not they will achieve their stated objectives of promoting sustainable development for their trading partners by establishing fair trade and to work actively towards removing these injustices more effectively, remains to be seen.

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## Chapter One

### Introduction

#### **The Role of Trade in Development**

The role of trade in the growth and development of Third World countries is a source of great controversy and is widely debated amongst policy makers and academics. The existing economic development literature puts forward two fundamentally different perspectives on the relationship between trade, growth and development. (Greenaway, D. 1988; p.1). Trade is portrayed as either the engine of growth and development or as the single most important obstacle to it. However, both perspectives agree on the importance of trade and it always plays a starring role, but it is either as hero or villain. It is how the trade links work which is the main disagreement between the competing theories, in particular whether developed countries working through the international trade structure determines the growth and development of the domestic economies of the Third World. (Helleiner, G.K. 1972; p.15-32).

The development theories of the 1950s and early 1960s focused mainly on the concept of stages of economic growth. The process of development was viewed as successive stages through which all countries must pass. (Todaro, M.P. 1981; p. 57). The Third World was perceived to be in the traditional or precondition stage and only had to follow a certain set of rules of development to launch into self sustaining economic growth. The role of international trade was perceived to be the "engine of growth"; the primary stimulator which would increase productivity, utilize labour resources and increase incomes of the Third World. (Milner, C. in Greenaway, D. 1988; p.64). However, the resource transfer of money, food, technology and private investment, identified as necessary preconditions for economic growth and development from the West to the Third World countries, was not achieving the rapid economic growth and development aimed for. (Todaro, M.P. 1981; p. 61).

Growing disenchantment with the development theories of the 1950s and early 1960s and the results of these, led to policy makers and academics expounding new theories. These early development theories were replaced with a school of thought which linked colonialism and the economic policies implemented after the Second World War to the growing inequality and impoverishment of the Third World. (Todaro, M.P. 1981).

Whether intentionally exploitative or unintentionally neglectful, the co-existence of rich and poor nations in an international system dominated by unequal power relationships between the centre and the periphery rendered Third World nations development efforts virtually impossible. Certain groups within Third World countries (eg. landlords, merchants) who enjoyed political, social and economic power, whether knowingly or not, perpetuated the international capitalist system of inequality. (Todaro, M.P. 1981). The existing international trading structure provided a classic example of this belief. New development strategies were called for by Third World countries, policy makers, international development agencies and others. The "Basic Needs Approach" and "Redistribution with Growth" were the catch cries of the development strategies in the late 1970s. These development strategies emphasised the meeting of people's basic needs - food, housing, clothing, access to clean water, health care and jobs. (Todaro, M.P. 1981; p.70). The goal was to reduce or eliminate poverty, inequality and unemployment within the context of a growing economy.

It was out of this climate that the Trade Aid Movement in New Zealand and other Alternative Trade Organisations (ATOs) in Western countries were established:

"Alternative trade began as a response by Northern non-government organisations..., (to) the continued poverty and unwitting oppression sustained by lack of awareness of the existing trading structures." (Tiffen, P. 1991; p.17; A). Committed to the fair trade principle, eg. trade without exploitation of the underprivileged by middlemen and multi-national commodity organisations, ATOs believed that the poor and the oppressed of the Third World now would have the opportunity to meet their basic needs.

## **Objectives of the Alternative Trading Organisations**

Though very diverse in their histories, objectives, approach and locations, these ATOs all have the basic aim of changing what they perceive to be unfair structures of international trading by way of 'alternative trade' which is non-exploitative, beneficial and fair to all, particularly to the Third World producers and craftspeople. Wherever these organisations are based they share four basic principles:

- \* co-operate with the poor and oppressed in Third World countries, to improve living conditions mainly by promoting trade in products from those countries;
- \* provide information when selling products, to increase awareness of unfair international structures;
- \* reflect in their own structures a commitment to justice, fair employment, public accountability and progressive working practices;
- \* campaign for fairer trade. (Young, G. 1990; p.25).

The focus on the position of the Third World producers distinguishes ATOs from 'conventional trade' organisations and determines certain features, including: paying a 'fair price'; provision of finance and credit; assistance with marketing and promotion and educational activities. Few ATOs trade with private companies and most try to ensure that the benefits are distributed equally to the members or to the people in the local community. For many ATOs trade is not the main reason why they offer a 'long term and sustainable partnership' with producer groups in the Third World. The main objective is to offer the means by which the producer groups can improve their standard of living, health care,

educational and other local facilities. Nevertheless, the local objectives of ATOs may often conflict with the commercial realities of operating as a business venture.

ATOs preoccupation with producer groups means that ATOs often operate at less than normal efficiency in purely economic terms such as: shipping small quantities or supplying advance credit for the purchase of raw materials. However, this does not mean that social objectives are used as an excuse for any inefficiencies. The aim of ATOs and producer groups is to trade more fairly and equitably for the benefit of the producer communities.

Sales channels vary greatly between ATOs. Some are based firmly on local action groups who have joined a national organisation and sell through their local shops; some have started from a national base and developed a local network of volunteers; and others sell through mail order catalogues. As an integral part in selling their trading partners' products, ATOs focus their efforts upon educational activities to raise the awareness of the major causes and consequences of the unfair and exploitative trading patterns among their consumers.

The products sold also vary between ATOs. Some ATOs focus on handcrafts which utilise traditional skills and local resources to make marketable goods. These ATOs are responding more directly to the needs of the poorer members of societies as well as recognising certain aspects of peasant life, agricultural cycles and the need for alternative sources of income to arrest the population flow to the urban areas. Other ATOs focus on importing commodities such as tea, coffee and jute, highlighting trading practices which they believe exploit and oppress the developing countries. Some ATOs, like the Trade Aid Movement in New Zealand discussed in this study, import and sell both.

## **The New Zealand Trade Aid Movement**

The Trade Aid Movement is an alternative trading organisation involved in importing and selling crafts and commodities from Third World countries in New Zealand. It consists of a parent company, Trade (NZ) Inc, an importing company, Trade Aid (Importers) Ltd and a network of 27 Trade Aid retail shops throughout New Zealand. Together they form the network of the Trade Aid Movement. Like other ATOs elsewhere in the world the Trade Aid Movement has similar objectives and characteristics to those which distinguish ATOs from more conventional trading organisations. Its aims are to:

- \* trade fairly with the powerless and use this as a vehicle to locate the inequalities in current trading patterns;
  - \* educate ourselves and other New Zealanders about trading injustices and their causes;
  - \* fight against these injustices and work towards removing them whenever they occur by establishing that there is a fairer way to trade;
  - \* establish real partnerships with producer groups to assist them in achieving self reliance.
- (Trade Aid. 1992; E1).

However, as we will see throughout this study, the aims of Trade Aid may often conflict with the demands of economic viability.

## **Research Objectives**

The main goal of this research is to provide a case study of an ATO, the Trade Aid Movement in New Zealand. To achieve this goal the research has the following objectives:

- \* to examine the origin, development and growth of the Trade Aid Movement in New Zealand, identifies its objectives as well as its present organisational and operating structure. It also provides a descriptive analysis of the Trade Aid Movement's trading partners and their products;
- \* to examine the motivation, awareness and perceptions of the volunteers, staff and board members of the New Zealand Trade Aid Movement; and
- \* to examine the origin and development of ATOs as well as identifying their objectives and activities and their trading partners and products.

The study will identify the issues and dilemmas the Trade Aid Movement has faced in the past and how these have shaped it. It will also identify the challenges it faces as a Movement committed to promoting fair trade in an environment where success is marked by profit and determined by market forces. This study does not examine the impact of the Trade Aid Movement has on the Third World producers nor does it discuss the relationship between ATOs' philosophies and the general debate of the role of trade in growth and development of the Third World.

## **Research Methodology**

A comprehensive literature search was undertaken on the subjects of alternative trading organisations and alternative trade. It was evident that very little research had been carried out on alternative trading organisations or alternative trade let alone the impact of these

organisations have on the Third World producers. Such a study is beyond the scope of the present work. Much of the literature which exists is focused on debate over the role of international trade in the growth and development of Third World economies.

Sixty-seven ATOs around the world were therefore contacted for information focusing upon their objectives and activities. Over half (34) of those ATOs organisations contacted replied and provided information about their organisation. In response to the question of what research had been undertaken, none had undertaken any comprehensive evaluation of their organisation or any research on the impact of their activities upon their trading partners.

The key element in this research is to provide a case study of a specific ATO, the New Zealand Trade Aid Movement, in order to collect information on this neglected area of development studies. Although an individual case study may not reflect the many facets of ATOs' activities, it does provide a valuable first step towards understanding the issues which arise in the development of the Trade Aid Movement.

Almost all the information gathered on the New Zealand Trade Aid Movement is from primary information sources. Files, annual reports, minutes of meetings, correspondence and other relevant documents were collected from the national head quarters of the Trade Aid Movement in Christchurch.

A nation wide survey of volunteers, staff and board members (both past and present) of the Trade Aid Movement was conducted. The aim of the survey was to ascertain members' motivations, perceptions and understanding of the Trade Aid Movement as well as measuring its perceived effectiveness:

\* thirty questionnaires were sent to past and present Trade Aid staff and board members of Trade Aid (Importers) Ltd and Trade Aid (NZ) Inc. A total of 21 were returned; and

\* each of the 27 Trade Aid shops were sent 30 questionnaires to be completed and returned by staff and volunteers within a month. Of the 810 sent out, 287 (36%) completed questionnaires were returned. This represents a good response rate for a self completion survey.

Copies of the questionnaire are attached in Appendix A. All completed and returned questionnaires were listed, collated and analysed by using standard research techniques.

## **Outline**

This study starts with an outline on international ATOs, their origins and development, their objectives and activities. It will identify the unique characteristics of ATOs as well as examine the trading relationship with their trading partners. This chapter is mainly descriptive and provides a background for the following chapters.

Chapter Three examines the origin, development and growth of the Trade Aid Movement in New Zealand. This chapter highlights and identifies the issues and the tensions which have shaped it as well as examining its present organisational and operational structure. The chapter also provides a descriptive analysis of Trade Aid's trading partners and their products and briefly examines the relationship between the Trade Aid Movement and its trading partners in the Third World.

Chapter Four analyses the motivations, perceptions and understanding of the staff, board members and volunteers of the Trade Aid Movement which emerged during the analysis of the research findings. The first section of this chapter examines the motivations, why they

are part of the Trade Aid Movement and what the volunteers perceive their involvement achieves. The second section analyses their understanding about the Trade Aid Movement's objectives and activities. Section III discusses volunteers, staff and board members views on how effective the Trade Aid Movement is in achieving its objectives and their suggestions for increasing Trade Aid's effectiveness. Volunteers, staff and board members were also asked to identify what issues will help shape the Trade Aid Movement in the next ten years. These responses are examined in Section IV.

Chapter Five presents a summary of the main findings of this research study. It identifies the primary characteristics of ATOs, examines the Trade Aid Movement in New Zealand; its objectives, growth and development as well its organisational and operational structure. Key findings from the survey results are again examined. The chapter then identifies some of the implications of the research findings in the context of the future development and growth of the Trade Aid Movement.

### **Chapter Summary**

This first chapter has provided an outline of the issues that are discussed in this study. It has identified the objectives of the research and outlined the methodology. A brief summary of alternative trading organisations was presented along with the aims of the New Zealand Trade Aid Movement. The next chapter will discuss in greater detail the growth and development of alternative trading organisations in the global context.

## **Chapter Two**

### **An Introduction to Alternative Trading Organisations**

#### **Introduction**

This chapter discusses ATOs and describes their origins and development, their objectives and identifies particular features of these organisations. The ATOs trading partners, products and sales channels are also discussed. This information will provide an international context in which the origin, development and growth of the Trade Aid Movement in New Zealand will be examined in Chapter Three.

#### **The Origins of Alternative Trading Organisations**

The concept of ATOs arose from the growing disenchantment with the 1950s and early 1960s development theories and the recognition that it would take more than just aid to deal effectively with poverty in the developing world: "Government ODA (Overseas Development Assistance) tends to mean just doling out money without involvement in the lives of the recipients, and often only brings about the mentality of dependence." (Itakura, K. 1990; p.48). The growing sense amongst the developed nations of their own complicity in the process of underdevelopment was believed to be caused by or at least exacerbated by the West. For example, an Austrian ATO states "Underdevelopment in the Third World is above all the result of a centuries long exploitation since the beginning of colonial history...The economic world order is a permanent war between the rich North and the poor South...Workers and peasants of the "South" (and not only there) are direct or indirect victims of the unfair trade system...." (EZA. 1992). The following comments on the international trading structure provide a classic example of this belief so prevalent amongst ATOs and development theories

which focused on the relationship between colonialism and the economic policies implemented after the Second World War:

You know the sort of thing. A tractor which cost five tons of Tanzanian tea in 1973 cost double 10 years later. The less developed countries were (and still are) running just to stand still. It is nothing short of hypocrisy to give aid from the surplus we make out of an unequal and abused power relationship. Or to put it another way, 'Don't buy my harvest cheap and offer me charity. (Young, G. 1990; p.24).

Third World leaders, such as Fiji's Ratu Sir Kamasese Mara and Papua New Guinea's Micheal Somare and President Nyrere of Tanzania, also emphasised that there was a need for more trading opportunities, a more equitable international trading system and not just more handouts. Meeting people's basic needs and 'redistribution with growth' was the new goal. Trade, not aid, was talked about. (Clarke, D. 1984; p.12). One response was to lobby and campaign against unfair trading practices. Another response was to set up ATOs to trade with the developing world on a fairer basis.

The origins of some ATOs can be traced back to the 1940s. Serrv, an ATO located in New Windsor, United States of America was started around 1948 by the Church of Brethren volunteers working in the German refugee camps. European crafts were marketed through churches in the USA to generate income for the displaced European refugees. It was not until the late 1950s and early 1960s that the focus shifted to the Third World. (Servv. Personal Correspondence. July 2, 1992). Some ATOs developed from the experience and ideas of particular individuals. For example according to Selfhelp, an American ATO:

In 1946 MCC worker Edna Ruth Byler travelled to Puerto Rico to visit MCC volunteers who were teaching classes. They noticed that their classes weren't adequate to meet the needs of the people in their poverty. So Mrs Byler bought several pieces of beautiful embroidery sewn by poor women in these classes and took it home to sell to friends and neighbours in Lancaster County, Pa. The crafts were so popular, and soon Mrs Byler added cross-stitched needlework from Palestinian refugees and handcrafted Haitian woodware to her inventory... (Selfhelp. 1992).

Similarly, Equal Exchange, a Scottish ATO, reported that:

In 1979 three voluntary workers returned to Edinburgh after working on aid projects in various parts of Africa... They had seen how small farmers were quickly getting into debt due, in part, to the appallingly low prices they received for their produce. This was compounded by the spiralling cost of imports. They had realised that aid was not the only answer; direct and fairer trading could redress the imbalance.... (Equal Exchange. 1992; A).

### **Alternative Trade Organisations' Objectives**

There are more than 40 world wide non-government ATOs established in the First World specifically to sell products from developing countries. (IFAT. 1992). There are more which are trying to develop the same principles but from a base in the Third World. (Young, G. 1990; p. 25). The products sold by ATOs vary considerably as do their size, sales channels and history. Some ATOs are based on local action groups of volunteers who have joined a national organisation and others have started from a national base and developed locally a movement of volunteers. Some ATOs sell through their own chain of shops or mail order and

others act as wholesalers to commercial outlets. There are ATOs which use all these distribution channels. However, wherever these ATOs are based, they share four basic principles:

- \* co-operate with the poor and oppressed in third world countries, to improve living conditions mainly by promoting trade in products from those countries;
- \* provide information when selling products, to increase awareness of unfair international trading structures;
- \* reflect in their own structures a commitment to justice, fair employment, public accountability and progressive working practices;
- \* campaign for fairer trade. (IFAT. 1991; p.8-10)

Committed to the above principles, most, if not all, ATOs perceive themselves to be a business operation rather than a charity or a development based organisation. For example Traidcraft emphasised that: "Traidcraft is a business enterprise. We are not a charity." (Traidcraft. 1992; A). Similarly, as Bridgehead Canada (1992) states: "Bridgehead is a business, not a charity or a development agency. We co-operate with those who share our goals of justice, fair trading, concern for people, and care for the environment." (Bridgehead Oxfam. 1992; A). Nevertheless, unlike other business organisations, ATOs are primarily not motivated by profit (IFAT. 1992). The primary focus of ATOs is the artisans and workers in the Third World. (Tiffen, P. 1991; p.13; B). For example, the One World Shop notes that it: "acts as an outlet for organisations trading with developing countries and putting people before profits." (One World Shop. 1991; p.3; C). ATOs other main focus is to establish and develop

a fair trading system with their trading partners. (Tiffen, P.1991; p.13; B). Most ATOs, like Bridgehead, place a high degree of significance on this:

Bridgehead is an alternative trading organisation. We exist to provide an alternative to the mainstream international trading system as it is currently structured and practiced. Bridgehead is the link between both groups in the service of justice- a better and fairer deal all round. (Bridgehead Oxfam. 1992; A).

Similarly, Shared Earth, an American ATO, and OS3 from Sweden echo this:

Shared Earth('s) ... aim is to avoid making a profit at the expense of others. We want to create long term jobs by paying producers fair prices... (Shared Earth. 1992; A)

OS3 is an alternative trading organisation which promotes fair trade with producer partners in developing countries... (Organisation Switzerland Third World. 1992).

One of the main objectives of providing alternative and fairer trading structures is to provide the means by which the producers can improve their standard of living, health care, organisational confidence, educational and other local facilities. (Tiffen, P. 1991; p.17; A). ATOs aim to trade more equitably, for a greater effect in the producer's community. "Our goal is to bring about more equitable distribution of wealth between the First and the Third Worlds. To do so, we form partnerships and work locally with people in the developing countries to help them secure self sufficiency and a better quality of life." (Bridgehead Oxfam. 1992; A).

This objective is echoed by other ATOs, like the Australian ATO Community Aid Abroad which claims to "improve the lives and working conditions of producers and their communities." (Community Aid Abroad. 1992). Press Alternative also shares this view: "to

create jobs in the Third World localities in such a manner, that they can stand on their own two feet and solve development issues in their own way..." (Press Alternative Co; Ltd. Personal Correspondence; September, 14 1992). Selfhelp Crafts of the World also assists low income people in developing countries to earn a living by selling their handcrafts in North America. They believe that this trading partnership helps "crafts people provide food, shelter, education and health care for their families." (Selfhelp Crafts. 1992). Similarly, the British-based ATO, Twin Trading promotes fair trade to "ensure that more of the benefits of production remains in the hands of the producers to enable them to implement their own social and economic development programmes from the extra income they earn." (Twin Trading. 1992; D).

As well as increasing their trading partners' independence, social security and confidence by providing them trading partners with an income and work, ATOs also believe that they are raising their trading partners' self esteem. As Fairness Laden states: "All craftsmen want to improve their situation through work ie. by their own effort. This increases their self esteem....The craftsmen are our partners...This is genuine help for selfhelp." (Fairness Laden. 1990; p.1).

Common terms in the development literature such as empowering, independence, partnerships, self sustaining development, self sufficiency and self reliance are used frequently in most ATOs descriptions of their activities and objectives:

We believe that building self-sufficiency and self-sustainability... (Press Alternative Co; Ltd. Personal Correspondence; September, 14 1992).

...and work locally with people in the developing countries to help them secure self sufficiency and a better quality of life. (Bridgehead Oxfam. 1992; A).

It promotes independence and self-reliance...and take more control over their own lives as our partners, not our dependents. ... alternative trading represents a model of economic relations based on mutual respect and co-operation... (Bridgehead Oxfam. 1992; B).

Usually we work in partnership with a local organisation that has identified a community need and is developing practical ways to meet it. (Oxfam America. 1992).

### **The Trading Partners**

Another determining feature of most ATOs' activities is the attention paid to the type of trading partner. Most ATOs purchase mainly from community based groups who have social as well as financial objectives. (Young, G. 1990; p. 25). As OS3, One World Shop and Oxfam explain: "...purchases from groups of producers organized for mutual aid and who are primarily interested in local development rather than personal profit..." (Organisation Switzerland Third World. 1992); "...and which provide other benefits such as educational or welfare schemes." (Oxfam Trading. 1992; A). "All our products come from sources dedicated to social and community benefit..." (One World Shop. 1991; B).

Max Havelaar, a Dutch ATO organisation which works with co-operatives of small coffee producers in Latin America, includes in his criteria in selecting trading partners:

- \* the organisation is democratically controlled by its members;

- \* the members of the organisation decide collectively on the destination or the use of the extra income;

- \* organisation structure and internal procedures must minimize risks of fraud by the management;
- \* remain open for the affiliation of new members who are in the same socio-economic conditions as the current members of the organisation;
- \* organisation pursues as much as possible an integrated farm management type (to avoid excessive dependency on coffee);
- \* organisation should be based on the concept of solidarity. (Max Havelaar, 1992).

Most ATOs adopt a policy of positive discrimination giving the organisations or producer groups that involve severely underemployed, unemployed, persons with disabilities, refugees and minorities, including women, a preference over other trading groups. Selfhelp Crafts, from the United States, is typical of the majority of ATOs: "The craftspeople are the people in need, who without their handicraft jobs, would be unemployed or severely underemployed. Selfhelp Crafts of the World gives preference to...persons with disabilities, refugees and minorities including women...." (Selfhelp Crafts, 1992).

ATOs also consider other social criteria such as ethnic group, religion, political ideology, or geographical area in the selection of appropriate trading partners. For example, Nicaragua or the frontline states of Southern Africa were regarded as suitable candidates for selection during the 1980s because of their political significance. (Tiffen, P. 1991; B). Bridgehead Trading places a high priority on developing countries which consider protecting human rights and the well being of their people as one of their foremost goals. (Bridgehead Oxfam, 1992; A). However, the positive discrimination by ATOs in terms of factors such as 'human rights' and

'political opposition' may lead to conflict within alternative trading organisations because of the not always complimentary goals of economic viability and their socio-political objectives.

The ATOs literature frequently includes descriptions of their producer partners. The following excerpt from Selfhelp Crafts is typical: "The program now involves more than 35,000 craftspeople and their families in more than 35 developing countries. These include hardworking mothers in Bangladeshi villages, relatives of 'disappeared' mums in the Phillippines, illiterate peasants in Haiti, tribal villagers in remote areas of Northern Thailand, and rural families in the mountains of Peru." (Selfhelp Crafts.1992). Other ATOs, such as Equal Exchange in America, encourage and support producers who use environmentally friendly production methods. "Our vision includes a commitment to ecologically safe methods of farm production. We encourage and will assist the farmers we work with to become certified organic producers. Organic foods are not only better for consumers, organic farming is safer for the farmers and their communities, and it builds healthier soil for raising high quality, resilient crops." (Equal Exchange. 1992; F). Press Alternative also explains that it imports organically grown food into Japan: "to promote the understanding of environmental and ecological problems which urgently await solutions." (Press Alternative Co; Ltd. Personal Correspondence; September, 14 1992). The emphasis by some ATOs on the environmental 'appropriateness', is an indication of increased linkages between social and environmental movements. However, this may lead to internal conflict within ATOs over achieving their trading, social and commercial objectives.

### **Organisational and Operational Structures**

ATOs place great emphasis on participatory decision-making and 'democratic' process within both their own organisations and in their trading partners. Most of the ATOS include selection criteria for trading partners such as:

They prefer groups in which members have a say in the way that they are run....  
(Oxfam Trading. 1992; A).

... that encourage employee participation, demonstrate concern for the  
craftsperson....All groups are expected to have good quality control and sound  
business practices. (Selfhelp Crafts. 1992).

Organised for the benefit of members or workers, and concerned for the welfare of  
individual producers. (EFTA. 1992).

We aim to work with co-operatives and other democratically organized groups. (Equal  
Exchange. 1992; A).

However, as we shall see in the discussion of the New Zealand Trade Aid Movement, the  
development of participatory structures within ATOs may be at odds with their commercial  
goals.

Most ATOs work with co-operatively managed organisations based in the Third World. Oxfam  
America works with local organisations that have identified a community need and are  
developing practical ways of meeting it. Their trading partners include farmers' unions,  
women's associations, village councils and non profit organisations. (Oxfam America. 1992).  
Most ATOs also require evidence of the groups structure to ensure that gains are equitably  
distributed directly to the benefits of the group's members or to the local community. (Tiffen,  
P. 1991; p.13; B).

Only a few ATOs trade with private companies. However, these commercial organisations usually have to embrace certain fair trade objectives. (Tiffen, P. 1991; p.17; A). Some ATOs, like Traidcraft in Scotland, buy goods from development and government projects with embryo business enterprises. (Traidcraft. 1992; O). Other ATOs will consider trading with producer groups which are only at an early stage of their structural and operational development.

Committed to justice, fair employment, public accountability and progressive working practices, most ATOs endeavour to follow these principles in their own internal objectives. (EFTA. 1992). ATOs learn about new producer groups through individuals who work in developing countries, church denominations, development agencies, other ATOs and other similar non-profit organisations. "Projects often find us. For many projects, this begins in the countries themselves. Local people meet and exchange ideas with an Oxfam representative who knows the region and its problems well..." (Oxfam America. 1992).

### **The Local Trading Relationship**

In making purchases most ATOs endeavour to avoid middlemen. Wherever possible they deal directly with the original maker or with suppliers set up specifically to support small producers. One of SO3's objectives is typical of other ATOs objectives, to "purchase the merchandise directly without superfluous middlemen." (Organisation Switzerland Third World. 1992)). Where this is not possible, some ATOs like Selfhelp Crafts of the World, "works with intermediaries who share our philosophy." (Selfhelp Crafts. 1992).

ATOs seek to establish equal partnerships with their trading groups. The Japanese ATO, Press Alternative, "seek to establish equal partnerships..." (Itakura, K. 1990; p.48), as do all the other ATOs. Fairness Laden explains why 'partnership is better': "All too often we believe we are superior to developing countries. This way of thinking makes us blind to what they have to

offer us. Their traditions, their talent for invention and their skills produce things whose value and beauty we appreciate." (Fairness Laden. 1992; A). Similarly, EZA states: "The goals of EZA are according to the partnership agreement based on the common interests..." (EZA. 1992). Nevertheless commercial constraints on ATOs may sometimes place stress on the goals of partnership. For example, in the issue of continuing purchase of a product by an ATO in order to meet social goals when there is clearly no consumer demand.

Unlike many commercial trading organisations, ATOs, often make advanced payments for orders. This allows producer groups to buy raw materials to produce the goods and pay craftspeople. It also allows communities to plan ahead and to provide basic commodities, education and health care. (Equal Exchange. 1992; A). Others, like Selfhelp Crafts of the World, pay producer groups a 50 percent advance when the order is placed and the balance once the order is ready for shipment. (Selfhelp Crafts. 1992). The advance purchase of products while assisting producer groups may cause serious cash flow problems for ATOs, therefore impacting on their ability to act as a 'normal' business operation.

Some ATOs guarantee long term prices, in particular those that buy commodity products. "It is essential for communities to receive fair, long term guaranteed prices, to enable producer groups to plan ahead, and to provide basic commodities, education and health care for everyone." (Equal Exchange. 1992; A). They, will also, like Bridgehead, "pay the amount for the finished goods that we agreed to pay instead of paying less when conditions change, as for example when the price of coffee fell recently." (Bridgehead Oxfam. 1992; A). Other ATOs may offer prices higher than those offered by usual commercial traders. For example, EZA pays 30-40 percent more for its honey products and 50 percent more for coffee. (EZA. 1992).

Most ATOs enter a long term trading relationship with their producer partners, even to the extent of "sharing the risks by sticking with producers in hard times, weather and natural

disasters, social strife and unrest, changes of government or changing fashion" (Bridgehead Oxfam. 1992; A). ATOs believe a long term partnership is highly desirable. Traidcraft sees it as one of their responsibilities to "develop long term relationships with producer groups and suppliers through which solutions to problems and new opportunities are tackled on the basis of partnership." (Traidcraft. 1992; O).

ATOs are also committed to developing their trading partnerships through the transfer of business skills and the achievement of social goals which include: putting resources into product design and development with their partners, including helping them to acquire appropriate technology; helping new groups who may lack experience in making and exporting products to get started and helping them solve quality problems in ways the producer can manage and afford; helping groups reduce their dependence on ATOs as their marketing channel by encouraging them to sell as much of their goods as they can locally and by helping them contact other alternative trading firms with which they can work (Bridgehead Oxfam. 1992; A); building self reliance by improving long term food security; increasing economic and social equity, and strengthening people's capacity to organise to change the social and economic conditions; encouraging local participation and self management in all phases of the project; promoting institution building and harmony among the project partners; setting an example and working with other local or regional development efforts. (Oxfam America. 1992).

Some ATOs regularly visit their producer partners and these are returned by the trading partners. "Regular visits are being paid to the producers and they also pay regular visits to us." (Simon Levelt. 1992). Buyers frequently travel to visit producer groups to maintain relationships and some of the larger ATOs, like Oxfam America and Selfhelp Crafts, have representatives of their ATO working with their trading partners. (Oxfam America. 1992) and (Selfhelp Crafts. 1992). Visits to trading partners serves as a mechanism to both reinforce

trading relationships and provide feedback to ATOs' members and volunteers on the achievement of social and economic goals.

### **A Fair Price**

Another characteristic of ATOs is their claim of paying a fair price for goods which allows the producers a reasonable return. "We give them a fair wage for their work. This is not simple charity." (Fairness Laden, 1992; A). Most ATOs define a fair price in terms based on the local economy and conditions, and how the price compares with the amount paid in the local area for similar types of work. (Oxfam Trading, 1992; B). The original price for crafts is usually set by the craftspeople in the country of origin. (Selfhelp Crafts, 1992). The Swiss ATO Fairness Laden explains why their organisation supports a fair price: "These articles are not spoils of conquest. They represent work which commands its price in spite of the fact that those whose efforts and skills they reflect are open to exploitation. We have decided not only to charge this price but to pay it too." (Fairness Laden, 1992; A).

Prices are usually higher than those offered by a commercial trader. "In many cases, this amount is more than double the percentage that producers receive in for profit business." (EZA, 1992). The following costs may then be added to the producer's original purchase price: overseas shipping, customs and import duty, warehousing, administration, local shop operating expenses, marketing costs and internal freight. Working capital may also be set aside. (Traidcraft, 1992; O; & Oxfam America, 1992; & Oxfam Trading, 1992; A & Bridgehead Oxfam, 1992; A).

Caritas and Oxfam Trading (England) are two ATOs which pay an extra amount to producers which varies between 10 and 30 percent of the purchase price. It is paid out every year to producers in line with the ATOs' guidelines and the producers needs.' As the ATO Fairness

Laden explains: "We add a fairness supplement to our prices which ensures that the craftsmen receive a fairer wage for their work. This supplement is to indicate our solidarity. It is the sum which goes to the craftsman, his workshop and his co-operative in addition to the purchase price. The supplement is for furtherance of better working conditions and professional training, for the social welfare of families and the development and support of handicraft products."

(Fairness Laden. 1992; B). While the notion of a fair price is a part of ATOs' social objectives, the reality of competition in the market place with similar products that do not have to include a 'fair price' component, may lead to substantial conflict with an ATOs commercial goals.

### **The Trading Partners' Products**

As a direct result of their philosophy, ATOs sell a wide variety of products including crafts, both decorative and utilitarian; jewellery; accessories and textiles, both clothes and household goods. (See Bridgehead Oxfam. 1992; F; & EZA. 1992). These types of products "respond most directly to the needs and possibilities of the poorest sectors of society. Craft production fits into the reality of peasant life: its agricultural cycles, spare time, harvests and the need for employment in the countryside to stop the drift to the city." (Tiffen, P. 1991; B)

Most ATOs extend their ranges to selling Third World goods which are environmentally friendly. Most, if not all of the ATOs mention in their literature in some way their commitment to caring for the environment. "Traidcraft is working for fair trade that sustains both people and the planet. International trade often damages the environment and ignores the needs of the people who produce them." (Traidcraft. 1992; J). Items being sold by ATOs range from high quality recycled stationery paper to toilet paper. The subsidiary company of EZA, Alternative Handel, deals solely in ecological products. By doing so EZA hopes "to

inform about many possibilities of protection of the environment, which can be of help to every consumer." (EZA. 1992).

Other ATOs focus on importing food products particularly coffee, tea and jute from Third World countries. These ATOs must deal with international quality standards, packing and bulk shipment, tariffs and regulations as well as virtual monopolies by multi national organisations in various commodities. (Tiffen, P. 1991; B). Other ATOs like the Trade Aid Movement in New Zealand import both commodities and handcrafts.

ATOs perceive the products as a means to disseminate information. "The products chosen allow information to be supplied about the people who produce them and the environment in which these people live and work." (Organisation Switzerland Third World. 1992). As Traidcraft states "We're not just selling products though, we're selling a message about the need for fair trade." (Traidcraft. 1992; A).

The majority of ATOs have established criteria for selecting products. Traidcraft's criteria represents the criteria most other ATOs follow:

- \* products should not exploit or endanger the health of the people involved in their production;
- \* production techniques should take of the need to protect the natural environment;
- \* the product and production methods used should be appropriate to the economy and ecology of the country of origin;
- \* locally available raw materials and technology should be used whenever possible;

\* with food products to avoid trading which encourages competition for land between essential subsistence farming and exports, and trading in staple crops where people's diets are deficient. (Traidcraft. 1992; O).

## **Sales Channels**

On the whole most ATOs sell their products through 'Third World' shops based in the First World, exhibitions, trade fairs, campaigns, other ATOS and similar organisations, and mail order catalogues. Selfhelp is one ATO which encompasses all sales channels: "Crafts are sold through a variety of craft shops and consignment sales throughout the United States and America and Canada. Some 120 MCC related shops in North America account for nearly half of all sales. Hundreds of non profit shops, craft bazaars, gift festivals, commercial stores, annual shop sales and Mennonite relief sales make up the rest of the market." (Selfhelp. 1992).

There are some ATOs, however, like Selfhelp Crafts which distribute and sell food products largely via retail outlets ie health food shops, grocery shops, wholefood shops and delicatessens. Max Havelaar adds this further dimension to the alternative trade practice on the basis of one of its principles: "To be effective, alternative trade should procure that all the consumers actually have optimal access to the promoted products. This means in practice that alternative trade only can be a real alternative when the products are available in every supermarket, in every grocery store, at every street corner, there where the average consumer usually is doing his shopping, and is not only in a special Third World shops. Actually, alternative trade should develop into 'normal trade'...." (Max Havelaar. 1992). Max Havelaar Quality-Mark coffee was able to be bought in over 90 percent of all supermarkets in the Netherlands four years after the first packets of coffee were introduced. (Max Havelaar. 1992).

As the next chapter will discuss, the issue of sales channels is a major concern within the New Zealand Trade Aid Movement.

The majority of ATOs rely on volunteers to sell their products. "Thousands of volunteers play a vital role in the Selfhelp Crafts of the World program. Working together for a common goal more than 7,000 volunteers sell crafts in MCC related shops, and hundreds more volunteer at annual craft sales....a majority of all positions at headquarters are filled by volunteers ..."

(Selfhelp Crafts. 1992). Volunteers help in many facets of the organisations which allows ATOs to direct any profits towards their trading partners in Third World countries.

(Community Aid Abroad. 1992). Nevertheless, while volunteers are critical in the achievement of financial success for ATOs, it is essential that the goals of volunteers are in keeping with the broader mission of the ATO in order to ensure that internal organisational conflict is minimised. This issue will be discussed in far greater detail in Chapters Three and Four within the context of the New Zealand Trade Aid Movement.

Many ATOs now have multi-million dollar annual turnovers (eg. CAA Trading Pty has an annual turnover of Aus. \$4.8 million; Serv Selfhelp Crafts has an annual turnover of US \$4.3 million) and are reaching hundreds of producer organisations in developing countries all over the world. (Oxfam Trading. 1992; A).

### **Education and Campaigning**

Another primary focus of ATOs is the education and campaigning programmes which provide information to ATOs' customers, representatives and retailers about the products, their trading partners in the Third World, international trading practices and on development issues in general. The aim of the ATOs is to make people aware of the need for fair trade between the West and the Third World. As Equal Exchange explains:

We recognise it is not enough to encourage consumers to buy more products traded on a fair basis. There is a need to make clear the links between our buying power and its effects on the economies and the environment of countries of the South. If change is to take place, it is vital that we put trade on the agenda of people at all levels in society, including decision-makers at government levels. We are working closely with other organisations concerned with development and environmental issues, at local and national levels, to campaign and lobby for changes to the unequal world trading system. (Equal Exchange. 1992; A).

Workshops, talks, newsletters, publications, displays, posters and brochures are common ways in which ATOs promote their educational and campaign objectives. ATOs actively campaign to eliminate trade barriers that discriminate against exports from developing countries as well as the prevailing prejudices relating to alternative trade. For example, Max Havelaar promotes the image of alternative trade and similar initiatives of quality and reliability as well: "Small farmers coffee is excellent; small farmers are highly reliable trading partners; commercial coffee roasters and coffee traders are not necessarily exploiters." (Max Havelaar. 1992).

### **Alternative Trading Organisations Based in the Third World**

There are a growing number of ATOs which are based in the Third World. They operate and follow the same guiding principles as ATOs in Western countries. As discussed below, they are also able to apply to join the International Federation of Alternative Trade. (IFAT. 1991; A).

One example of an ATO based in the Third World is Tultenango. Tultenango is an ATO in Tlaquepaque near Guadalajara, in Mexico. For trading purposes, Tultenango is set up as a

limited company and acts as an umbrella organisation that co-ordinates and distributes work of village handcraft co-operatives, family groups and small privately owned workshops spread over much of Mexico. Products include stoneware and clay products, wall hangings, belts, purses, bags, wooden goods and glass. Preservation of a strong cultural heritage is encouraged among the various people involved.

Over 600 families are dependent on Tultenango to market their craft. The sale of these handcrafts enables these families improve their standards of living and educate their children. (Trade Aid. 1992; O2). As an ATO, Tultenango, is concerned with maximising sales and employment for its producers. Every producer group receive a 50 percent payment at the time of placing an order and where prices for the raw materials are changing rapidly , open orders are placed so the groups can set their own prices. Tultenango, like other ATOs, is committed to fair prices for its producers. All profits are re-invested into the business.

### **International and Regional Associations**

Throughout Europe, North America, Canada and Australasia the alternative trading movement continues to grow. The International Federation of Trade (IFAT) was established in 1989 to provide for greater co-operation and communication among more than 40 ATOs. The members of IFAT vary greatly in their organisational structures but they all share the common objective of establishing fair and equitable trade between the Third World and more developed nations. ATOs who join IFAT must support the common understanding of what is meant by alternative trade:

\* working together with the poor and oppressed in the third world on the basis of justice and solidarity, aiming at the improvement of living conditions in their countries, mainly by means of (promoting) trade in products from those countries;

\* providing information when selling products in order to make people aware of unfair international trade structures;

\* campaigning for more just trading conditions;

\* reflecting in their own structures a commitment to justice, fair employment, public accountability and progressive work practices. (IFAT. 1992)

This worldwide movement has collectively set itself the task of changing unfair trading practices in international trade by way of alternative trade. IFAT's activities include facilitating information flow, campaigns, involving producers, establishing an ethical code of practice, investigating the need and the feasibility of alternative financing facilities. IFAT sets out to improve relationships and co-operation between member organisations by information exchange, market research, product development and marketing products. (IFAT. 1992).

There is also a movement towards more regional associations. The European Fair Trade Association (EFTA) is an association of European ATOs that aims to improve and co-ordinate their joint activities, especially in the fields of service to producer contacts, product development and exchange of information. (EFTA. 1992). Australasian ATOs are moving towards the establishment of a formal umbrella body which could represent at least 10 ATOs from Australia and New Zealand. Their draft aims are similar to those of EFTA and concentrate on educating the public and sharing resources. (Community Aid Abroad. 1991).

## Chapter Summary

ATOs is a general term applied to a variety of non-profit trading organisations which sell products from developing countries, with the basic aim that the producers themselves should benefit from the trade. These organisations are committed to working for justice in the international trade system. Most ATOs began as a response to the failing development strategies of the 1950s and early 1960s and the growing awareness of the continued poverty sustained by existing trading patterns, though some ATOs' origins can be traced back to the 1940s. Since this beginning, the number of ATOs has grown to number over 40 organisations worldwide.

Their trading partners are mainly community based co-operatives which are organised for the benefit of individual producers and the welfare of the community. ATOs buy directly from their trading partners avoiding the middleman where possible. The producer groups are paid a fair price for their products. Other services offered by ATOs to their trading partners include product design and development, technology, packaging, labelling and sales promotion.

Products such as food, utilitarian and decorative handcrafts, textile products and other goods are currently sold by ATOs in the so-called developed countries. These products are sold through 'Third World' shops, exhibitions, trade fairs, campaigns, mail order catalogues and volunteer sales people. ATOs, like Max Havelaar, a Dutch ATO, adds a further dimension to this alternative trade practice by supplying coffee in over 90 percent of all supermarkets in the Netherlands: "...This means in practice that alternative trade only can be a real alternative when the products are available in every supermarket, in every grocery store, at every street corner, there where the average consumer usually is doing his shopping..." (Max Havelaar. 1992).

The majority of ATOs rely on volunteers not only to sell their trading partners' products but also to educate ATOs' customers about the products, their trading partners in the Third World, international trading practices and on development issues in general. Volunteers allows ATOs to direct any profits towards their trading partners in the Third World. International and regional associations such as, IFAT and EFTA, have been established to provide greater co-operation and communication among ATOs to help change unfair international trading patterns by way of alternative trade.

Promoting their trading partners amongst their customers, giving information about projects, the localities, and the difficulties faced by small producers are other important roles played by ATOs. An objective is to educate and campaign to change unjust trading patterns. The New Zealand Trade Aid Movement explains: "An unjust trading system means that some have too little to live on, while others have in excess of their needs. To say we are against trading injustices and to take no action is to indulge in pious platitudes. To seek justice is to opt for political action." (Clarke, D. 1984; p.12).

As in any organisation ATOs are rich in contradiction. Alternative trading organisations are attempting to meet a range of economic, social and political goals. These goals are not always complementary. For example, actions to achieve economic and commercial goals may be undermined by the desire and actions required to achieve social objectives. Furthermore, conflict between the varying goals of an ATO may be magnified by the different desires and needs of management and volunteers thereby reducing the overall effectiveness of the organisation, a point which will be discussed in further detail in the following case study of the New Zealand Trade Aid Movement.

## **Chapter Three**

### **The Trade Aid Movement in New Zealand**

#### **"Working for a just world through fair trade..."**

(Trade Aid. 1992; E1)

#### **Introduction**

The Trade Aid Movement in New Zealand is a not-for-profit alternative trading network involved in importing and selling crafts and commodities in New Zealand from Third World countries. It consists of parent organisation Trade Aid (NZ) Incorporated which owns the importing company - Trade Aid (Importers) Limited; 27 Trade Aid shops throughout New Zealand and their volunteers. (Trade Aid (NZ) Inc. 1985; J). Like other ATOs the Trade Aid Movement believes that the present international trading patterns are unjust and exploitative and are one of the primary causes of the "Many problems of world poverty and underdevelopment..." (Trade Aid Inc. 1992; D1). The Trade Aid Movement provides an "alternative way to trade which does not exploit people" and provides the "support necessary to overcome their problems." (Trade Aid Inc. 1992; D1). The Trade Aid Movement works to change the present trading structure by:

- \* trading fairly with the powerless and using this as an a vehicle to locate the inequalities in current trading patterns;

- \* educating ourselves and other New Zealanders about trading injustices and their causes;

\* fighting against these injustices and working toward removing them wherever they occur by establishing that there is a fairer way to trade;

\* establishing real partnerships with producer groups to assist them in achieving self-reliance. (Trade Aid. 1992; E1).

The first part of this chapter examines the origin, development and growth of the Trade Aid Movement in New Zealand. The present organisational and operational structure of the Movement is examined in the next section, which is followed by a descriptive analysis of its trading partners, their products and the relationship between the partners.

## **The Origin, Development and Growth of the Trade Aid Movement in New Zealand: 1972 - 1992**

### **The Origin and Development Period: 1972 - 1982**

It was the right idea at the right time. Trading injustices of the world trading system had been talked about for some time. The time was ripe for a group in New Zealand to try and do something about it. (Vi Cottrell Co-founder of the Trade Aid Movement) (Lovell, M. 1983; p.4).

Vi and Richard Cottrell returned to New Zealand in 1972 after two years as National Council of Churches' (NCC) volunteers in a resettlement programme for Tibetan refugees in India. (Lovell, M. 1983; p.4). Both of them returned with the idea of helping these refugees and others in the Third World to import and sell their handcrafts. The Cottrells envisaged and proposed establishing a company which would import Tibetan handcrafts and rugs and goods

from other developing countries with the help of CORSO (Council of Religious Service Organisations) and the NCC. (Lovell, M. 1983; p.5). They proposed that these handcrafts and goods be sold throughout New Zealand through ordinary retail trading channels. A number of speaking engagements to various local Lion, Rotary and women's groups were completed and profits enabled the Cottrells to begin to import Tibetan cloth which was made into shoulder bags by the Canterbury Sheltered Workshops and sold to local department stores.

NCC and CORSO agreed in principle with the idea of setting up an organisation to import goods from developing countries, (providing the sales were to benefit Third World people) however, both organisations decided against any direct involvement in setting up a trading organisation. (Lovell, M. 1983; p.11). Nevertheless, a group of ten individuals, with the similar backgrounds, experiences and ideas believed in the possibilities of fair and just trade. Trade Aid (NZ) (hereafter referred to as Trade Aid) was registered as an incorporated society in December 1972. (Lovell, M. 1983; p.5). The objectives of Trade Aid were established at the group's second meeting and they recognised that the international trading system was not benefitting everyone:

- \* to promote trade between New Zealand and the economically underdeveloped countries;

- \* to trade with and encourage aid programmes and self help organisations in these countries;

- \* to utilise all profits, whether from trading or from any other source in expanding this trade;

\* to assist self help organisations and trade programmes in economically underdeveloped countries. (Trade Aid (NZ) Inc.1992; D1).

In the beginning, Trade Aid had to consider and answer questions such as: From which countries should it import? Which products should be imported? How does the import licensing and duty system work? Several Indian producer groups were taken on because of the Cottrell's knowledge of that country, as were the Jute Works in Bangladesh. Several Pacific producer groups were also considered and taken as trading partners because of the New Zealand government's interest in developing and supporting aid projects in the Pacific region. Oxfam and other ATOs in the United Kingdom also supplied a list of their producer groups as well as other support. "From the very beginning we were given considerable support and encouragement by Oxfam Trading in England, Community Aid Abroad in Australia, the National Council of Churches and CORSO in New Zealand. We have kept in communication with similar organisations around the world, exchanging ideas and programmes."(Trade Aid (NZ) Inc. 1983; H). It was decided that handmade textiles and handcrafts were to be imported and displayed to buyers from established retail outlets to pre-order. Trade Aid's aim was to sell all goods before they arrived in New Zealand. (Lovell, M. 1983; p.8).

Orders came from groups like CORSO and commercial retail businesses such as Haywrights and Ballantynes. The first major order Trade Aid received, however, was from a new independent organisation, established in June 1973, called Third World Retailers Ltd. This organisation consisted of four individuals from the Christian Family Movement. (Lovell, M. 1983; p.9). Third World Retailers Ltd was to be the forerunner of would become the network of trade aid shops and was established to sell Trade Aid goods and locally made handcrafts. This new company ordered 400 shoulder bags per month from Trade Aid and were trading from a shop in Barbados Street, Christchurch. (Lovell, M. 1983; p.9).

Tension soon developed between the two organisations. This tension centred on the supply and distribution of goods to Third World Retailers Ltd by Trade Aid. (Lovell, M. 1983; p.15). Third World Trading Ltd believed they should have priority for Trade Aid's handcrafts and goods because they were selling the goods in line with Trade Aid's stated objectives. They also pointed out that commercial retailers "obtained larger mark ups than the co-operatives themselves or in fact Trade Aid" and the education of the customer "could not be realised. Nevertheless Trade Aid continued selling through commercial retailers since they were "Trade Aid's most substantial customers for some time." (Lovell, M. 1983; pp.15-16). Community selling was another distribution channel through which Trade Aid sold goods, using volunteer salespeople. Community groups like CORSO sold Trade Aid goods at charity functions or local markets. The tension between the need to sell products and the social objectives of Trade Aid has continued to exist throughout the history of the organisation, and is the dominant factor which determines the means by which success for the organisation is measured.

By May 1975 Third World Retailers Ltd had opened 20 shops throughout New Zealand and were the customers for up to 50 percent of Trade Aid total sales. (Lovell, M. 1983; p.14-26). Trade Aid had to recognise and realise that the "totally unplanned emergence"(Staff/Board Member) of "Third World" shops was becoming a significant part of the Trade Aid's life. (Lovell, M. 1983; p.12) with important repercussions for the development of Trade Aid and its organisational and operational characteristics.

With the growth in number of the Third World shops, Trade Aid was forced to review it's objectives. At a meeting in 1975, Trade Aid decided that its revised objectives would be:

- \* to provide the supplier with continuity of markets in New Zealand and opportunities to diversify products, but not by dictating on part of Trade Aid or by destroying the local heritage of craftsmen;

- \* to use imported goods to enable New Zealanders to become further educated on aid and development;
- \* to build co-operation amongst New Zealand traders regarding their responsibilities to their suppliers and to ensure just marketing of their goods in New Zealand;
- \* to influence Government and encourage the review of licensing and tariff restrictions against Third World products. (Lovell, M. 1983; p.13).

It is clear that Trade Aid wanted to do more than just provide a market for their Third World trading partners. It wanted to do something about the trading injustices by educating the New Zealand public about trade and development issues and also by lobbying Government to review its current licensing and tariff restrictions. The change in Trade Aid's marketing objectives reflected the growth of the number of Third World shops by attempting to increase greater co-operation between them and increase their accountability towards Trade Aid's trading partners.

During the early 1970s Trade Aid had also to reassess its original intention of selling all goods before arrival into New Zealand. Most of the groups which wanted to sell Trade Aid goods wanted to buy only small quantities after seeing the goods. In response to this Trade Aid began to warehouse its imported goods. Trade Aid's first warehouse was the attic of the CORSO building which Trade Aid had occupied rent free with CORSO since 1972. (Lovell, M. 1983; p.12). The location of the Trade Aid warehouse and the sharing of offices with CORSO reflects the religious origins of Trade Aid and undoubtedly shaped the path along which Trade Aid would travel.

In 1973 and 1974 Trade Aid's ability to obtain import licences from developing countries became easier with the establishment of the Government's "New Pacific Islands Handcraft Scheme" in 1973 and "The Developing Countries Handcraft Scheme" in 1974. (Trade Aid (NZ) Inc. 1977; A). The Government schemes were a reflection of broader concerns with Pacific Island development rather than simply the influence of Trade Aid. Nevertheless, Trade Aid was also able to increase the amount and range of purchases in the 1975/76 financial year from an aid project grant received from the External Aid Division of the Ministry of Foreign Affairs. (Trade Aid (NZ) Inc. 1978; B). This enabled Trade Aid to supply the growing number of Third World outlets.

In May 1975 the first national meeting was organised for representatives of Trade Aid and the Third World shops. At this meeting the framework for the Trade Aid Movement was debated and established. Meetings between Trade Aid and the Third World shops to discuss issues of common interest, ranging from commercial practice to development objectives were to become a regular annual occurrence. It was also decided to vet new suppliers and producers and give priority sales to Third World shops. (Lovell, M. 1983; p.17). In addition, Trade Aid began to formally identify itself as an ATO in its literature:

We believe that we operate differently from normal commercial importers in that we put more emphasis on the needs and problems of the suppliers than on the commercial success of our organisation. As far as we can, we aim to help our suppliers in the ways that they indicate will be useful, such as the diversification of products, increased understanding of the New Zealand market, and where possible, introductions to further markets. In order to assist them in their growth we often pay for goods in advance and we are prepared to deal with suppliers who are small and inexperienced in exporting. (Trade Aid (NZ) Inc. 1977; A).

The relationship between the the two organisations continued to be formalised at a second meeting in February 1976 between Trade Aid and the Third World shops. From this meeting a Liaison Committee was set up, the forerunner to Forum which was to be established in 1979. The Liaison Committee was to be made up of shop representatives from three geographical areas: the North; Central and Southern regions.

The potential tension between educational and business objectives is illustrated in that the first two meetings of the Liaison Committee (August and October 1976) discussed issues such as educational and marketing policies. The issue over Trade Aid selling to commercial outlets was again raised. (Lovell, M. 1983; p.19). Existing Third World shops were concerned with the growing number of outlets and the restriction on the amount and range of products Trade Aid was allowed to import. However, the volume and type of products Trade Aid was allowed to import was dictated by existing import licences. This issue of supply meeting demand was resolved by an agreement between the two organisations that "existing shops should be given priority for stock. Shops which have a philosophy and aim different from those generally accepted should be declined or restricted stock supply." (Lovell, M. 1983; p.26). At this early stage of organisational development it is apparent that Trade Aid had decided to sell through a narrow 'morally correct' distribution channel in order to meet educational objectives rather than attempting to establish a broader demand for its products through conventional distribution channels such as supermarkets. This decision has had long term consequences for consumer perceptions of Trade Aid products and volunteers and Trade Aid supporters understanding of what alternative trade means. (See Chapter Four).

This year also saw Trade Aid import its first shipment of tea. (Trade Aid (NZ) Inc. 1977; A). Trade Aid had decided "that the trading patterns which most badly affected the people they wished to help were the trading patterns of basic commodities like tea, coffee and jute."

(Lovell, M. 1983; p.20). The significance of Trade Aid's commodity trading for the organisations objectives is discussed in greater detail below.

In 1977 Trade Aid received a second grant of \$20,000 from the Ministry of Foreign Affairs. Government funding had also increased its funding for the Developing Countries Handcraft Scheme. (Trade Aid (NZ) Inc. 1978; B). This did not mean, however, additional import licences for Trade Aid. Instead the commercial sector ended up receiving more import licences and Trade Aid's share was reduced from a third to one eighth of the total number of import licences. (Lovell, M. 1983; p.22). The relative decline in import licences was perhaps a reflection of the organisation's inability to lobby effectively and Trade Aid's concentration on putting its own house in order.

The 1977 national conference introduced a 1 percent levy on invoices to help meet the costs incurred by the liaison officers in the three regions. This levy marked the start of the education fund, as part of it was to help support the shops' educational activities (Lovell, M. 1983; p.27) which the majority of the Third World shops regarded as their main objective. The Trade Aid conference in the following year, 1978, decided to employ the first education officer. (Lovell, M. 1983; p.27). The attention given to educational activities at the grass roots level, while significant for achieving some organisational objectives, may nevertheless create tensions with business performance, a conflict which has never been effectively resolved within Trade Aid.

With the growth of the Third World shops and the growing relationship between the two organisations, Trade Aid saw a need to refocus its objectives again in 1978. It was an attempt, as the earlier review of objectives in 1975, to resolve its approach of how best to achieve, its not always complementary goals of trading with its trading partners, maximising income for Trade Aid and their trading partners, its goal of development education and its goal to lobby

and campaign for change when and where Trade Aid considers it appropriate in order to promote fair trade. The following objectives were adopted:

- \* to promote partners in trade with producer groups who consider themselves to be economically powerless;
- \* to assist self reliance by helping such producer groups develop their export trade;
- \* to establish trading relations which are fair and non exploitative;
- \* to inform people about development issues related to trade. (Trade Aid (NZ) Inc. 1979; C).

Trade Aid's new set of objectives set out explicitly what it was trying to do, to trade fairly and justly with the economically powerless, to help them achieve self reliance. (These objectives are more aligned with those of a traditional ATO). It was the poor and disadvantaged of the Third World that Trade Aid was, and still is, trying to help. The new set of objectives further established that Trade Aid was no longer restricting itself to just providing a market for their trading partners. The aim was also to inform people about development issues related to trade. Trade Aid actually went further than this and started putting resources into campaigning and lobbying politicians to help promote change towards a fairer and more just trading structure. (Clarke, D. 1984; p.12). However, as we shall see, despite these measures fundamental contradictions within the objectives and structure of Trade Aid remained.

At the 1978 Trade Aid conference the Third World shops expressed the desire that the shops should operate with a standard set of principles and common aims, and that shops which did not follow the Trade Aid's broad objectives set by the group could be excluded. (Trade Aid

(NZ) Inc. 1979; C). However it was not until the 1979 Trade Aid conference that the decision was made that all of the Third World shops should have the name of "Trade Aid" and all shops would identify themselves as members of a cohesive New Zealand body concerned with fair trade which Trade Aid described as the Trade Aid Movement. (Trade Aid (NZ) Inc. 1980; D). This recognition was described by Richard Cottrell: "Perhaps the momentous decision for those clearly involved with Trade Aid has been the gradual awareness that Trade Aid, along with the shops it supplies has become a national movement." (Trade Aid (NZ) Inc. 1980; D).

In 1979 Forum, a representative body of Trade Aid (Importers) Ltd and the retail shops, was established. Forum enabled the importing and retailing arms of the Trade Aid Movement to meet to discuss the changing problems of management, education, retailing and marketing. (Trade Aid (NZ) Inc. 1980; D). Forum implemented national conference decisions and represented the whole Trade Aid Movement between conferences.

The Trade Aid Movement's working constitution was also adopted at the 1979 conference, providing:

That the Trade Aid Movement work for a just world:

- \* by trading fairly with the Third World and using this as a vehicle to locate inequalities in the current trading patterns;
- \* by educating ourselves, those who purchase from us and the wider community about current trading structures which lead to poverty, injustice and oppression;
- \* to fight against these evils wherever they occur by establishing that there is an alternative way to trade. (Lovell, M. 1983 p.29).

The almost religious fervour of the working constitution highlights the origins of the Movement. Notions of social justice appeared to be paramount in the Movement's thinking. However, the conflict between perceived moral right and the day to day realities of commercial trading may lead to a failure to fulfill the Movement's mission.

During 1980 the Trade Aid Movement began to focus more on the interests of its producer partners. The national conference defined more clearly who their producer partners should be. The Trade Aid Movement adopted the following criteria which still guides the Buying Committee today:

- \* is the enquiry genuine?
- \* that we trade with groups who are working together;
- \* that the profits be shared within the group;
- \* that the groups are powerless people working to improve their state of life;
- \* that the groups work for change or liberation;
- \* that the products are saleable. (Trade Aid (NZ) Inc. 1981; E).

Lobbying and educational activities were seen as an on-going part of the Movement's activities. *Traders Tales*, the Movement's bi-monthly magazine, was published for the first time in 1981. (Personal Correspondence with D. Small; July, 7 1992) The publication was aimed at "a broad spectrum-media , all sorts of other groups, Trade Aid, volunteers etc. It was

a promotional tool, a vehicle for the Movement's message to the public, a source of information on important development issues and a sort of Movement newsletter all in one." (Trade Aid. Forum Minutes. 8/9 October 1988; p.7). However, although the magazine is useful for communicating with members, the potential of the publication to talk beyond the converted is questionable given its narrow distribution.

For the first time, the Trade Aid Movement, (whose goal even today is to support Third World co-operatives and self-help groups) had to grapple in 1981 with the question over what do with a profit. This created a major concern for supporters of a non-profit organisation whose goal is to support Third World co-operatives and self-help groups. Concerns arose because of the conflict between members' desire for education on social justice and trade issues and the organisation's requirements for economic viability. In response the Trade Aid Movement recommended that "shops (should use the profits) to further the objectives of the Movement. This the Movement suggested as being providing employment, loaning funds to Trade Aid (NZ) Inc and giving financial support to similar organisations like Volunteer Service Abroad." (Lovell, M. 1983 p.46).

### **The Origin and Development Period of the Trade Aid Movement: The First Decade**

In October 1972, ten individuals who were "disillusioned with 'aid'" (Staff/Board Member 1992), believed in the possibilities of a fair and just system of trade, and had the "interest and drive to do something to help the Third World" (Staff/Board Member 1992) established Trade Aid. Ten years on, in 1982, Trade Aid had witnessed "the totally unplanned emergence of the Trade Aid shops and the growth of the Trade Aid Movement and all that means." (Staff/Board Member 1992). Sales had increased from around \$56,179 in 1974/75 to \$591,091 at the end of the 1982 financial year. (Trade Aid (NZ) Inc. 1977; B; & 1983; G). The number of Third

World shops had grown from one in Christchurch to a network of 25 independent Trade Aid shops throughout New Zealand, all with a common working constitution. Trade Aid's trading partners numbered 97 from 30 countries in 1982, compared to 32 trading partners in 22 countries in 1972. (Trade Aid (NZ) Inc. 1977; A & 1983; G). Products imported from the Trade Aid Movement's trading partners expanded the range and the quality of handcrafts and now also included commodities.

Over this ten year period the Trade Aid Movement had made a subtle yet clear philosophical shifts. Policy issues which still guide the Trade Aid Movement today were "thrashed out in early conferences" (Staff/Board Member 1992). In the mid 1970s Trade Aid moved from being a "charity towards (an aid) and development (organisation)" (Staff/Board Member 1992); and then to being an ATO. It wanted to do more than just provide a market for Third World suppliers of handcraft; it wanted to address the trading injustices.

We essentially see ourselves as an aid project, embodying the concept of aid by trade, which has gained wide support in other parts of the world. We are very conscious of the imbalance of trade in the present world economic structure and we feel that our kind of trading is an attempt to right this. We believe that we operate differently from normal commercial importers in that we put more emphasis on the needs and problems of the suppliers than on the commercial success of our organisation. (Trade Aid (NZ) Inc. 1977; A).

The review of its objectives in 1978, which still guide the Trade Aid Movement today, spelt out more clearly what Trade Aid was trying to do. It is explicit in its aims to trade fairly with the economically powerless to achieve self reliance. Implicit in these aims is the assumption that such trade is beneficial and can assist producer groups to become self reliant. The revised objectives also made it explicit the aim of informing people about development issues related

to trade. It was clear by the activities that the Trade Aid also meant more than just informing the New Zealand public about the unjust trading structures. Trade Aid also believed it had an active role in promoting change through lobbying and campaigning government representatives.

Towards the end of this period the various parties recognised that they had developed into a national movement. "Perhaps the momentous decision for those clearly involved in Trade Aid has been the gradual awareness that Trade Aid along with the shops has become a national movement." (Trade Aid (NZ) Inc. 1980; D). Support "from government, and other agencies such as CORSO, Christian World Service and the Catholic Commission" (Staff/Board Member 1992) also helped shaped the Trade Aid Movement as did "the existing network of committed workers" who "actively assisted as very hard working volunteers." (Staff/Board Members 1992).

During the first ten years the Trade Aid Movement also had to learn how to deal with practical issues such as problems of communication and freight. Examples of these difficulties are; "...inaccurately completed export documents resulting in holdups in delivery of the consignment;" goods from Ecuador coming through New Orleans, and for political reasons goods imported from Cameroons coming via London. (Lovell, M. 1983; p.47). Orders arrived badly packed, resulting in expensive freight charges and damaged handcrafts. (Clarke, D. 1984; p. 24). The problem is aptly described in the Eighth Annual Report: "Exporting to New Zealand means filling in complex and confusing forms absolutely accurately; if not the shipment is held up when it arrives or must pay unnecessary duty. It seems absurd to me that our producers, most of whose goods are imported under the Developing Handcrafts Scheme, should be faced with such difficulties..." (Trade Aid (NZ) Inc. 1983; G).

1972 to 1982 was the period in which the Trade Aid Movement developed, reviewed and changed its objectives, policies, role and organisational and operational structure to essentially what they are today. However, the first decade also saw the creation of the inherent contradictions between financial viability and meeting Trade Aid's social and educational goals which still exists today. The contradictions were reflected in both the organisational structure and in day-to-day operations. Furthermore, the greatest tensions are perhaps to be found between management and volunteers' desire, needs and understanding of organisational goals, and the requirements of business management and the promotion, purchasing, retailing and marketing of products which the consumer actually wants (See Chapter Four). The next ten years saw a consolidation of these factors but also increasing growth in sales, number of trading partners and products. It is to this period of the Trade Aid Movement's history we now turn.

### **The Growth of the Trade Aid Movement: 1983-1992**

1983 was a disappointing year for sales which meant stock purchasing falling to \$382, 000, down from \$492, 000 in the previous year. The downturn in sales led to Trade Aid Movement recognising that "they had to concentrate more on buying the goods that would sell in New Zealand rather than giving priority to the producers that we most wanted to help." (Trade Aid (NZ) Inc. 1984; H). The effect on the Movement's trading partners was described in Clarke's report: "It was clear that a number of groups had become dependent on it (the Trade Aid Movement) and were adversely affected by Trade Aid's drastically decreased orders in 1983. This was particularly so for Niuean producers who had the least number of options..." (Clarke, D. 1984; p.38).

The downturn in sales in 1983 indicates the impact of Trade Aid's trading relationships and its effectiveness in building trading relationships and increasing self-reliance amongst its trading

partners. The ability of alternative trading organisations to promote trade which is totally non exploitative in terms of producer-buyer relationships is probably impossible. The very nature of changing consumer demand and the requirements of keeping Trade Aid economic viable means that some products are not commercially viable even though their purchase would fulfill social goals. There is clearly a potential danger in creating trading partners who are dependent and unable to operate successfully without Trade Aid, or any other ATO. (Clarke, D. 1984; p.59). Trade Aid in this situation is perhaps therefore like any other commodity purchaser despite the very best of intentions to establish a fair and equitable trading relationship. Even in alternative trade the consumer is still king.

The Trade Aid Movement continued their involvement in the tea campaign in 1983 using the slogan "Turn Over A New Leaf. Drink Trade Aid Tea." (Trade Aid (NZ) Inc. 1984; H). The campaign's objective was to increase tea sales to a turnover of one percent of the New Zealand tea market. (Trade Aid (NZ) Inc. 1984; H). Trade Aid perceived that importing commodities was the best way to illustrate the perceived unjust trading patterns between the industrial nations and the nations of the Third World.

It was also in this year that Trade Aid (NZ) Inc formed its importing and warehousing operations into a subsidiary limited liability trading company, called Trade Aid (Importers) Ltd. (Trade Aid (NZ) Inc. 1984; H). In 1984 the Handcraft Committee broadened its representation to include a cross section of shop buyers and was renamed the Buying Committee. (Trade Aid (NZ) Inc. 1985; I). These changes probably reflected a desire of some sections of the Movement to become more consumer orientated. In this year the Committee reviewed and identified those trading partner's products: which there was a market; those that could be modified; and those for which the market had reached saturation point. Producers' samples were assessed and recorded on a point system as a guideline for future ordering by the Trade Aid shops. The Government Division of Foreign Affairs gave the Movement another

grant to increase the level of marketing skills and to assist in the development of new products. (Trade Aid (NZ) Inc. 1985; I).

The Development Committee was also established in 1984. This committee was made up of Trade Aid (Importers) Ltd staff. (Trade Aid. Forum Minutes. 19/20 March 1984). The Committee's function was to provide a forum for discussion of trade and development issues relevant to the Trade Aid Movement. The Committee's also looked at educational models on trading issues which the Trade Aid shops could use in their educational activities. (Trade Aid. Forum Minutes. 19/20 March 1984).

The Trade Aid Movement reported a profit of \$13, 133 in 1985 and registered the tradename 'Fairtrade' under which all Trade Aid's commodities are now marketed. (Trade Aid (NZ) Inc. 1986; J). Increased trade with trading partners from India, Bangladesh and the Phillipines was a result of the Trade Aid Movement focusing more on importing products for which there was a ready market and could be turned over quickly. This was at the expense of producer groups in Peru, Thailand, Sri Lanka and Bolivia (Trade Aid (NZ) Inc. 1986; J), a clear indication of the non-sustainability of trading relationships based on social goals as opposed to relationships built on matching the products with the desires and needs of the consumer.

The dilemma of focusing on more marketable handcrafts and products to meet the demand of the New Zealand market is raised in the 13th Annual report: "At the same time we must constantly bear in mind the requirements of smaller groups working in more difficult circumstances and those for whom exporting is totally new. There is an ever present danger of concentrating on very saleable goods made by large and more efficient groups and ignoring others." (Trade Aid (NZ) Inc. 1987; K). This dilemma still faces the Trade Aid Movement today: "Tension between the need to support trading partners and the need to supply saleable

stock to shops to ensure our and their viability. Resisting the pressure to order only fast selling stock at the expense of other partners...." (Staff/Board Member 1992).

This was not the only dilemma the Trade Aid Movement has had to face. There was and still is conflict between the need to sell their trading partner's goods on the one hand, and the goal of educating and informing the New Zealand public about trade development issues on the other.

"What the producers need is cash flowing back from our sales to their products. The more cash and the more sales the better for everyone. This has meant that separate educational activities have always had to take second call on the time and energy of the trustees and volunteers."

(Trade Aid (NZ) Inc. 1992; P).

Trade Aid's range of commodity products expanded with the first shipment of Nicaraguan coffee arriving in 1986. This meant a new product launch and focus for the year. The coffee was processed and packed by a Dutch non profit organisation which also supplied other ATOs in the United States, Canada and the United Kingdom. (Trade Aid (NZ) Inc. 1987; K).

Coconuts, spices, cashews, bananas, cocoa, beans, soap, raw sugar and biscuits were other items which came under the scrutiny of the Commodities Committee as potential products for importing. (Trade Aid (NZ) Inc. 1987; K). The Trade Aid Movement also focused on new ways of promoting tea through grocery wholesalers and commission sales, and Indian tea was also purchased. This represented a departure from importing 100 percent Sri Lankan tea.

(Trade Aid (NZ) Inc. 1987; K).

Increased sales by the Trade Aid shops and of commodities to \$690, 839 resulted in the Trade Aid Movement showing its best ever profit in 1987. However, Trade Aid (Importers) Ltd also stopped the importation tea from Sri Lanka. The Government of Sri Lanka refused to supply Trade Aid with tea unless all Trade Aid publicity material, leaflets and packaging were given to them for approval. "They would not allow us to say anything meaningful about the tea,

ourselves or about issues of justice, especially relating to Sri Lanka." (Trade Aid (NZ) Inc. 1988; L). The Trade Aid Movement decided not to bow to the Sri Lankan government and tea trading with Sri Lanka ceased. The arrival of tea from the Equitable Marketing Association in India and the arrival of Tanzanian tea added two new producer groups and kept the supply of Trade Aid tea constant. This year also saw the surcharge being lifted from Nicaraguan coffee after months of the Trade Aid Movement's lobbying to the New Zealand government. (Trade Aid (NZ) Inc. 1988; L).

In 1987 the Movement also received a Voluntary Agencies Support Scheme (VASS) grant. These grants were part of government funding to non-government New Zealand organisations to help them achieve their objectives and undertake their activities. The \$50, 000 grant acted as a subsidy. The Trade Aid Movement matched the grant on a dollar for dollar basis and where the producer groups were women, a three to one match operated. (Trade Aid (NZ) Inc. 1988; L). This gave Trade Aid (Importers) Ltd additional capital to increase trade with its partners. (Trade Aid (NZ) Inc. 1989; M).

The Trade Aid Movement had its most successful trading year in 1988 with its highest sales, highest net profit and an increased turnover in handcrafts. The commodities range expanded to include instant coffee from Tanzania and coffee from the Cook Islands. Tanzanian tea had also arrived and was marketed under the brand names of Safari and Kilimanjaro. High quality tea bags from the producer groups in India had also been ordered. Trade Aid (NZ) Inc also engaged a person on a six month contract to develop their marketing function. (Trade Aid (NZ) Inc. 1989; M).

The Movement again received an additional VASS grant of \$50, 000 to help increase working capital to buy more goods. (Trade Aid (NZ) Inc. 1989; M). A Shop Development Fund was created and established by Forum to assist new shops to set up premises and to assist existing

shops to shift, upgrade or repair their premises. (Trade Aid (NZ) Inc. 1989; M). Grants rather than loans were made available to shops which followed the Trade Aid Movement's guidelines. (Trade Aid. Forum Minutes. 8/9 October 1988).

This year was perhaps one of Trade Aid Movement's most active lobbying years. The Movement lobbied Government on trade policies, with particular attention given to the agricultural trade reform and GATT. (Trade Aid (NZ) Inc. 1989; M). Three submissions and a number of media statements designed to raise and contribute to public discussion, focused on the Movement's opposition to price support and market stabilization measures and what these would mean to Third World countries. (Trade Aid (NZ) Inc. 1989; M).

By 1989 the network of Trade Aid Shops had grown to a total of 26 shops throughout New Zealand. Sales had reached the one million dollars, with the sales of commodities rising to 17.5 percent of the total. (Trade Aid (NZ) Inc. 1990; N). This represented a 74 percent increase of commodity sales from the 1987/88 financial year. Trade Aid (NZ) Inc received its largest ever VASS grant of \$80, 000. New handcraft producer groups from Nepal and South America joined the Movement's trading partners which added to the range of handcrafts. A new range of soaps were imported from India. (Trade Aid (NZ) Inc. 1990; N).

It was also this year that the Movement responded to increasing world-wide awareness of recycling and conservation issues. In this respect Forum agreed that sustainable development should be encouraged by the Trade Aid Movement and that the Trade Aid (Importers) Ltd should focus on products that use renewable and recycable resources; (Trade Aid. Forum Minutes. 29/30 April 1989), a change in selection criteria which may impact on the producers and the purchase of their products. This highlights the similarity of the producer-buyer relationship of ATOs with standard commercial trading operations in the context of purchase

selection criteria. The need to sell products in Western nations still dominates over other concerns and perhaps over trading partners local economic interests.

This new emphasis has led to the publication of "Natural Products from Trade Aid" pamphlet in 1992, which is designed to highlight the Movement's support for sustainable development and the use of local raw materials:

Jute is a natural renewable resource. Concern for the environment has brought biodegradable jute back into favour...Jute is a natural alternative to plastic....The raw materials for these handcrafts come from domestic animals which are not killed for this purpose....Wooden products are made with wood specifically approved for cutting by government agencies...The tea we receive from India is produced without the use of pesticides. The packaging around the Tanzanian tea is made from recycled materials... (Trade Aid. 1992; V).

Highlights of 1990 included visits of representatives producer groups in India and Thailand and the first study tour from the Trade Aid Movement's representatives visiting Trade Aid's trading partners in Bangladesh and India in 1990. Increased stock holding and new products from established trading partners were a result of another VASS grant of \$68,182. Sales reached a new high of \$1,27 million for the year. (Trade Aid (NZ) Inc. 1991; O).

1990 also saw the introduction of the Africafe (African coffee) to independent supermarkets in Christchurch. The following year Trade Aid (Importers) Ltd believed supermarket sales to be the most effective way of marketing the product which requires wide scale distribution. (Trade Aid (NZ) Inc. 1991; O). Nevertheless, some members of the Trade Aid Movement are uneasy about the shift away from the Trade Aid shop retail network because it is believed it would threaten the achievement of the Movement's educational goals.

The Trade Aid Movement began also to recognise the threat of growing competition over recent years from other commercial retailers as the restrictions on imports were lifted. It adopted two strategies to counteract increasing competition: more selective purchasing of distinctive products of high quality and better promotion of reasons why people should shop at Trade Aid shops. "With the lifting of import restrictions there is more competition from commercial producers of the same handcrafts and is important to be able to compete in more variety, quality and new products." (Trade Aid (NZ) Inc. 1992; P).

Sales in 1991 reached \$1.33 million. The range of goods expanded to include glass, batik paintings and paper mache masks. There was also more products made from waste products or wood that regenerated quickly. This focus on recycled and environmentally friendly products continued with a re-launch of the Movements' campaign to promote jute products, to increase awareness of the "need to protect our environment by using products that are made from sustainable resources and do not cause pollution." (Trade Aid (NZ) Inc. 1992; P). The Jute Campaign coincided with the visit of Jute Works producer group representative, Raphael Gnomes. (Trade Aid (NZ) Inc. 1992; P).

A main topic of discussion in 1991 was how to improve the marketing of its products and of the Trade Aid Movement itself. The Trade Aid Movement realised that with growing competition and a downturn in the New Zealand economy, it had to review its priorities. A unified image was suggested and the need for improved customer service through staff training was identified: "...increased emphasis on uniform shop signs, use of orange and black colours, improved letterheads, better shop displays and fittings and the recognition of staff training." (Trade Aid (NZ) Inc. 1992; P). However, the apparent commercialisation of the Trade Aid Movement has met substantial resistance at the volunteer level because of the perceived

conflict it creates with Trade Aid's educational goals and the motivational need of the volunteers. (See Chapter Four).

The establishment of a Marketing Committee was proposed in the 1992 Trade Aid Draft Annual Plan and the idea was put forward at Forum for discussion. The role proposed for this Committee was to:

- \* raise the profile of Trade Aid as an alternative trading organisation;
- \* sell more products both through Trade Aid shops and other outlets;
- \* strengthen and develop Trade Aid and the Trade Aid retail network by encouraging greater co-operation among shops and establishment of new shops;
- \* provide a forum for discussing marketing ideas and in particular provide feedback to staff working to achieve these objectives. (Trade Aid. 1992; R).

Three new positions were also created: a shop liaison person whose main role is to work closely with the shops and the warehouse to develop a professional consistent image, and to support shops as required and liaise with them over their concerns and problems; is a marketing person with the responsibility of marketing Trade Aid through a wide range of media to achieve greater sales to target audiences and the wider public through Trade Aid shops and other outlets; and a media person to raise the media profile of the producer groups and the Trade Aid Movement within New Zealand, and to promote the Movement's aims and concerns. (Trade Aid. 1992; R). At the time of writing the outcome of the above proposal is unknown, although resistance towards the changes in the organisational and operational structure has been noted.

### **Conclusion: The Growth Years: the Second Decade**

Over the last ten years the Trade Aid Movement has witnessed increased sales from \$574, 682 in 1983 to \$1.33 million in 1992, a wider variety and better quality of products and, increasing the number of trading partners to 89 from 28 Third World countries. (Trade Aid (NZ) Inc. 1992; P & 1984; I) & (Trade Aid. 1992; W). This rapid sales growth can be linked directly to the number and size of government grants received by the Movement throughout this decade. These grants enabled Trade Aid Movement to develop more options to taking on new producer groups and experiment with and develop new products. The brand name "Fairtrade" was registered and 1986 saw the first shipment of the very successful product, Nicaraguan coffee. National promotional and advertising campaigns were undertaken, focusing on the commodities of tea, coffee and jute. During this period the Movement also began to actively support and encourage the importing of products which are environmentally friendly and which use renewable local resources, in order to support the idea of sustainable development.

However, in the last two years the Trade Aid Movement has been concerned about the downturn of the New Zealand and the world economy, and the effects of this upon the Movement. "The biggest challenge is sheer survival. Only the big international agencies are keeping their heads above water. Can Trade Aid cope with increasing economic pressures...?" (Staff/Board Member 1992). The Trade Aid Movement is also facing increasing competition, from commercial retailers and other ATOs. (for example Oxfam launched a mail order catalogue for Christmas 1992). The Trade Aid Movement has responded by adopting a more market-oriented approach and has initiated measures to create a uniform image for its shops, increase staff training and improve promotion of the organisation and its products. Nevertheless, as noted throughout this section the restructuring of Trade Aid to meet consumer

needs has created stresses within the Movement, particularly the volunteers, and has also severely impacted a number of trading partners through the cessation of trading and/or the purchase of specific products.

Before we fully address this change and what its implications are for the Trade Aid Movement in the next two chapters, it is important to have a better understanding of the present organisational and operational structure of the Trade Aid Movement and what roles each part play. The next section addresses these issues.

## **The Current Organisational and Operational Structure of the Trade Aid Movement**

The Trade Aid Movement is a not-for-profit alternative trading organisation involved in importing and selling crafts and commodities from Third World countries in New Zealand. It consists of an importing company - Trade Aid (Importers) Limited; 27 Trade Aid shops throughout New Zealand; and their volunteers which together form the network of the Trade Aid Movement. (Trade Aid (NZ) Inc. 1985; I). This section will examine the organisational and operational structure of the Trade Aid Movement.

### **Trade Aid (NZ) Inc and Trade Aid (Importers) Ltd**

Trade Aid (NZ) Inc holds all of the shares of Trade Aid (Importers) Ltd, and owns the land and buildings. It continues to be concerned with broad policy development, Forum, and the non trading relationships with the shops and with other organisations not involved in trading. (Trade Aid (NZ) Inc. 1984; H). It has the final authority for the warehouse operation. (Dennis Small. Personal Correspondence 5/9/92) The two bodies have the same directors and staff.

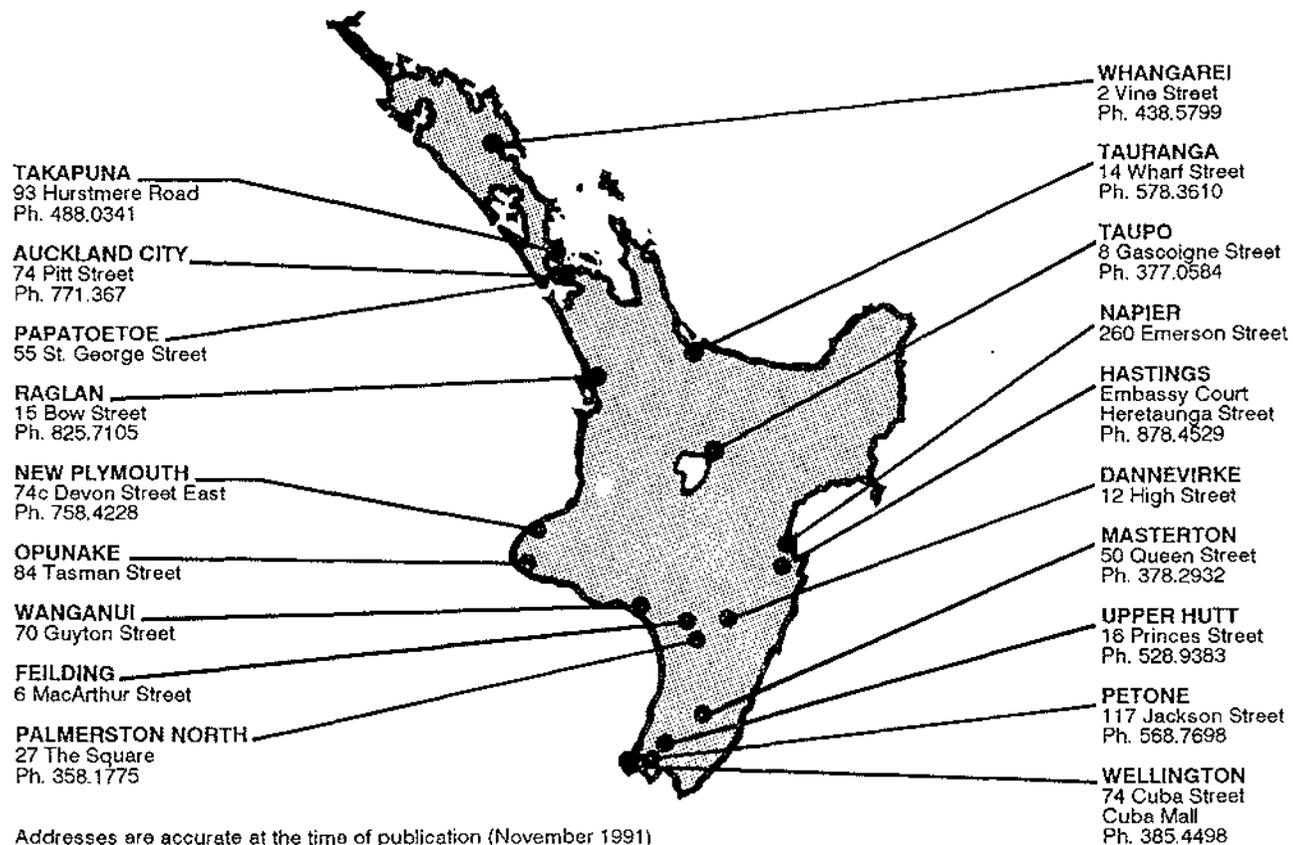
In 1983, Trade Aid (NZ) Inc formed its trading operations into a limited liability trading company, in order to separate its business of trading from policy development. Trade Aid (Importers) Ltd (the importing and warehousing branch of the Trade Aid Movement) concerns itself with the business; trading fairly with the producer partners in order to buy as "interesting and diverse a range of stock as able, and to import and distribute this as quickly and inexpensively as possible" (Trade Aid (NZ) Inc. 1985; I). This organisation also concerns itself with relations with organisations connected with the business of trading; and the employment and management of staff.

### **The Trade Aid Shops**

There are currently 27 Trade Aid shops spread from Whangarei to Invercargill. (Refer to the maps on following pages) (Trade Aid. 1992; D1). Each shop is independent of the others and of Trade Aid (NZ) Inc, and all are managed as charitable trusts. However, they share common principles and work together towards achieving the Movement's objectives. The network of Trade Aid shops perform a multiple of functions. They include:

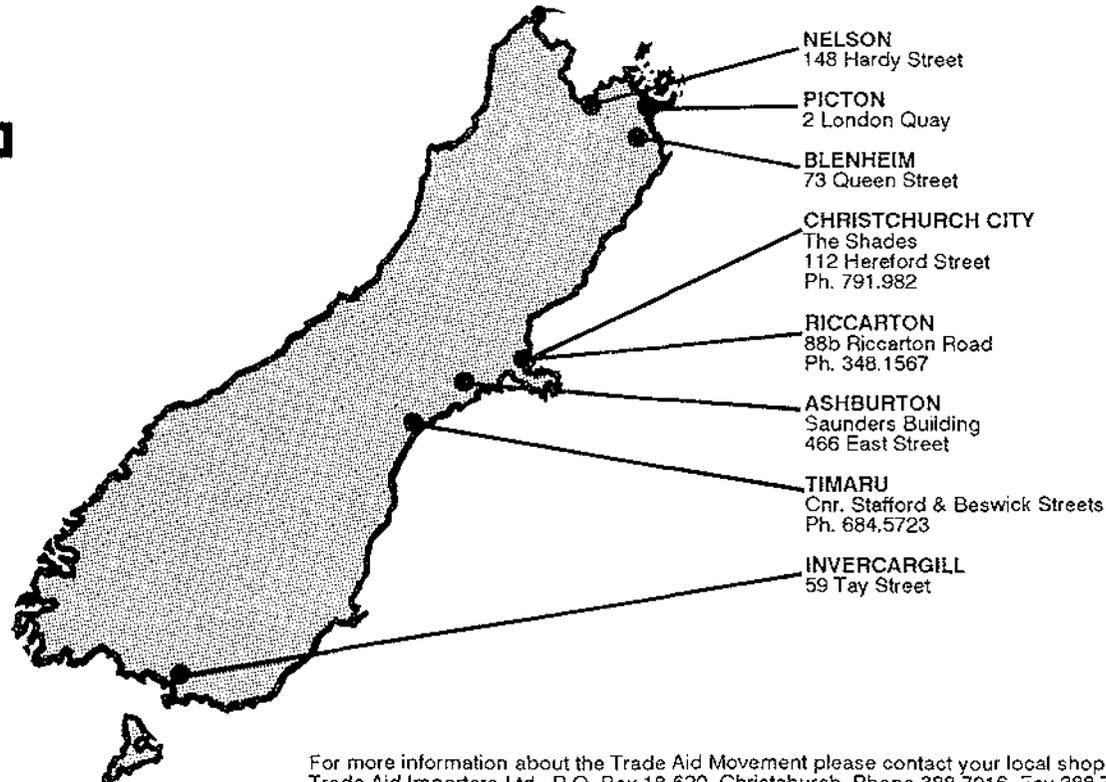
- \* to provide retail outlets in New Zealand for handcrafts and commodities imported by Trade Aid (NZ) Inc through Trade Aid (Importers) Ltd from developing countries;
- \* work for a clearer understanding on the part of New Zealanders, of the causes of poverty, and the problems encountered by people living in developing countries;
- \* to use goods and information supplied to Trade Aid to make people aware of injustices in trading between rich and poor nations. (Trade Aid (NZ) Inc.1992; F1).

# Shops of the Trade Aid Movement



Addresses are accurate at the time of publication (November 1991)

# Shops of the Trade Aid Movement



For more information about the Trade Aid Movement please contact your local shop or Trade Aid Importers Ltd., P.O. Box 18-620, Christchurch, Phone 388.7016, Fax 388.7015

Individual shops engage in a variety of educational activities such as producing educational material, organising seminars and video evenings and speaking to interested groups.

The 27 Trade Aid shops are staffed primarily by an estimated 1200 volunteers, and in a few cases, paid part-time staff. "Each shop is built on the shoulders of the volunteers who happily come in once a week, once a fortnight, perhaps once a month, to learn about the goods and to pass on their learning and enjoyment to the people of New Zealand who come through that door." (Trade Aid (NZ) Inc. 1988; L). Two Trade Aid shops, in Wellington and Christchurch, employ full time shop managers. (Trade Aid (NZ) Inc. 1985; I).

Volunteers tend to be older women who are retired or are in the unpaid workforce. They have usually have been introduced to Trade Aid through a friend or a local group, particularly local church groups. Their hours worked ranged from every now and again when needed, up to 25 hours a week. The number of volunteers at each Trade Aid shop also varied from 20 to 130. However most shops had between 30 to 40 volunteer staff. Chapter Four provides a detailed analysis of the motivations and perceptions of volunteers of the Trade Aid Movement. The roles of the volunteer are numerous. Volunteers not only "raise the funds to buy the stock and run the business, but also they paint and design their own premises; price the goods, arrange payment to Trade Aid; talk to their local community and decide amongst themselves what to do with their profits." (Trade Aid (NZ) Inc. 1986; J).

### **National Annual Conference**

Representatives of each of the 27 Trade Aid shops come together with representatives of the Trade Aid (Importers) Ltd for the annual conference. The conference focuses upon revising the Trade Aid Movement's objectives as well as planning certain activities for the next twelve

months. Between conferences communication and work is maintained by a representative group called "Forum".

### **Forum**

Forum, established in 1979, is the representative body of Trade Aid (Importers) Ltd and the Trade Aid shops. This body meets every two months to implement annual conference decisions and to act for the whole Movement between conferences. It consists of five regional shop representatives, who are elected by Trade Aid shops on a regional basis; one representative from Trade Aid (Importers) Ltd; and one representative from the Board of Trade Aid (NZ) Inc. The Education person (who is employed by Forum) and the General Manager of Trade Aid (NZ) Inc also attend Forum meetings. The role of Forum is:

- \* to represent the shop views to Trade Aid (NZ) Inc;
- \* to represent the shop's views to other shops and staff;
- \* to plan, in conjunction with the education person, an education programme to fight trading injustices and their causes and to assist shop's educational activities;
- \* to consult with the shops before making decisions affecting the whole Movement and to communicate all decisions to the shops. (Forum Minutes. 19/20 March 1983).

### **The Development Committee**

This group was established in 1984 and its role is to allow Trade Aid (NZ) Inc staff to concentrate on discussing wider trade and development issues relevant to the Trade Aid

Movement including community selling; Trade Aid membership; the Fair Trading Act; the usefulness of craft sales; how others may be affected by the Movement's work; the conditions of the producers and ill effects they may suffer from the work of the Trade Aid Movement. The Development Committee has spent considerable time discussing methods and models of development education and the concept of consumer responsibility; how to be discriminating about products Trade Aid buys, so as to support independent producers and those threatened by multi-national domination or outside political pressure.

### **The (Handcraft) Buying Committee**

This committee is made up of 6 shop representatives from a cross section of shops and 3 staff representatives from Trade Aid (Importers) Ltd who are experienced in importing and selling. Other members are co-opted as required. It meets twice a year to evaluate new products; suggest improvements to products; assess how a product will fare on the New Zealand market; and if the products are totally inappropriate, suggest different products which might be made using the same skills and materials. The criteria and factors which the Buying Committee take into account in making purchasing decisions are described below.

### **The Commodity Committee**

The Commodity Committee is the body which manages the importing of commodities. This Committee is a sub-committee of the Board of Directors which meet regularly throughout the year. It focuses on a number of areas relating to the location of suppliers, importing, pricing, labelling and marketing of commodities. (Trade Aid (NZ) Inc. 1986; J). The work of the Commodities Committee is described in more detail below.

## **The Education/Lobbying Role**

Amongst the objectives which guide the Trade Aid Movement is the aim to educate the New Zealand public and members of the Movement about trading injustices and their causes. (Trade Aid Movement. 1992; E1). "Equally important to us is our focus on education and campaigning here in New Zealand. We want to share with you what we have learned about injustices and inequalities in world trading systems, and the problems these cause." (Trade Aid. 1992; G1). However, as noted throughout the above discussion on the development of the Trade Aid Movement, the educational goals have often been in conflict with the need to establish an economically viable organisation.

The Trade Aid Movement also believes it has an active role to play in promoting change through campaigning and lobbying politicians. The overall aim of the education and lobbying policy is to work for change: "To help people in recognising possibilities for active participation. Through education it is hoped that people will be motivated to become involved in working towards removing trading injustices and in establishing a fair way to trade." (Trade Aid (NZ) Inc. 1987; K).

Trade Aid (NZ) Inc is dependent on the Trade Aid shops to carry out the education work on trading issues and to provide a political base for any kind of campaigning or political lobbying on trade issues. Trade Aid (Importers) Inc also relies on the Trade Aid shops to sell the handcrafts and commodities. The Trade Aid shops rely on Trade Aid (Importers) Ltd to provide them with handcrafts and commodities which it supplies. Therefore, to achieve the Movement's primary objectives both Trade Aid (Importers) Ltd and Trade Aid (NZ) Inc are reliant on the Trade Aid shops. The ability to deliver on these objectives depends on the resources the Trade Aid shops have available to achieve them, and there is often a trade-off

required: "What the producers need is cash flowing back from our sales to their products. The more cash and the more sales the better for everyone. This has meant that separate educational activities have always had to take second call on the time and energy of the trustees and volunteers." (Trade Aid (NZ) Inc. 1991; O).

This is an obvious conflict that Trade Aid needs to respond to, of how best to achieve its goals. Trade Aid, like other ATOs, wants people to accept its values. It wants to maximise sales to provide income for their trading partners, income for Trade Aid's own education programme in New Zealand and for its economic viability. It also wants to lobby Government to change existing trading structures and policies. Yet it appears that whatever action is undertaken to achieve one goal in one area it threatens to undermine any action Trade Aid undertakes to achieve another goal. Trade Aid's response to this tension, its operational structure and how it uses its organisational resources - personnel, capital, volunteers will influence how they are meeting the challenges of their objectives.

## **The Trading Partners and their Products**

### **The Trading Partners**

The Trade Aid Movement in 1992 has active trading partnerships with 89 producer groups in 28 Third World countries. (Trade Aid. 1992; Y). These producer groups are usually small craft co-operatives, (Trade Aid. 1992; W) "whose members work in a co-operative way, sharing decision making and profits and who aim to make improvements in their community as well as to benefit their individual members." (Trade Aid. 1992; T).

The Trade Aid Movement "form(s) partnerships with groups of people working together which have a potential for change....Many of (these) groups are more than just handcraft groups.

They are places to learn about health, reading and writing, agricultural methods and so on. They can offer a starting point for so much more..." (Trade Aid (NZ) Inc. 1979; C).

Vi Cottrell, the trade liaison person for Trade Aid (Importers) Ltd describes who the producer partners should be: "Trade Aid is committed to dealing with groups that are economically powerless that have insufficient markets for the crafts they produce and that are working collectively in some ways to share profits and improve their standard of living." (Lovell, M. 1983; p.47).

Like other ATOs elsewhere in the world, positive discrimination is also used by Trade Aid (Importers) Ltd in favour of groups operated by or for women and groups which have been working to revive or preserve their cultural heritage. (Trade Aid Movement. 1992; Z). In the case of consumer goods special consideration is given to countries "who are attempting to undertake agrarian reform and better wages and conditions for their workers." (Trade Aid (Importers) Ltd. 1992; T). In some cases Trade Aid (Importers) Ltd deals with small businesses "as long as it is obvious that they are not taking an unreasonably high mark up on the goods or exploiting their craftspeople in any way." (Trade Aid (Importers) Ltd. 1992; T).

Trade Aid (Importers) Ltd also tries to focus on groups in particularly difficult circumstances and for whom exporting is new. This they, argue, avoids concentrating on very saleable goods made by large and efficient producer groups. (Trade Aid (NZ) Inc.1987; K). Nevertheless, Trade Aid (NZ) Inc recognises the importance of large and efficient producer groups:

However common sense tells us that in economically difficult times especially, careful consideration must be given to choosing at least a percentage of goods that will sell easily and at least a percentage of more experienced suppliers where orders will be executed smoothly. Only in this way can the organisation support the less popular

products and the difficulties with shipments from new and inexperienced suppliers.  
(Lovell, M. 1983; p.47).

In its everyday operations Trade Aid has to respond to these conflicting tensions. Whatever choice is made is based on Trade Aid's technical expertise, its ethical integrity and what selection criteria and priorities Trade Aid has set. Trade Aid has to choose between their desire to maximise income and their desire to help those trading partners who are in 'particularly difficult circumstances and for whom exporting is new'. Again Trade Aid has to make judgements to achieve goals in one area which threaten to undermine actions in another.

Suggestions and contacts for new suppliers come from other aid/development agencies, from people involved in the work of the Third World, from other ATOs and from producer groups themselves. (Trade Aid (NZ) Inc. 1978; B).

In assessing whether a producer group is suitable as a trading partner Trade Aid (Importers) Ltd considers the trading group in terms of the following criteria which are very similar to criteria other ATOs follow:

- \* approaches from producer groups must be genuine. The group must have a sincere interest in forming a relationship with Trade Aid;
- \* the approach must be from a group of people working together - not an individual;
- \* the group must participate in some form of collective decision-making and profit-sharing; or have the potential to develop this;

\* the group must have the potential for change within itself and in the wider community;

\* the product must be saleable or adaptable for sale on the New Zealand market.

(Trade Aid (Importers) Ltd. 1992; T).

If the product satisfies the above criteria and if the products are not already made by another group a selection of samples may be ordered for evaluation by the Trade Aid Buying Committee. If the product is approved then it is ordered, usually in small amounts initially, for trial in the Trade Aid shops.

As is commonly the practice of other ATOs, Trade Aid (Importers) Ltd prepays 50 percent of the order to the producer groups to help those groups who have little cash, or who make handicrafts for which the raw materials are expensive, to develop handcraft markets. (Trade Aid Movement. 1992; Z).

Trade Aid (Importers) Ltd also pays a 'fair price' for the crafts produced by their producer partners. The price is set on what the producers consider the craft is worth. Freight to New Zealand, duty and sales tax (where applicable), and overheads are added to the price that is paid to the producer groups. (Trade Aid Movement. 1992; Z). To lessen the effects of market fluctuations which affect the sale of crafts in New Zealand (such as fashion and money supply) and to avoid the development of dependency upon Trade Aid (Importers) Ltd the producer partners are encouraged to establish both local and export markets. (Trade Aid Movement. 1992; Z).

Throughout the Movement's the relevant volumes of trade with various producer groups have fluctuated. Purchases from Pacific nations were a high percentage of the total purchases until

the late seventies (90 percent in 1978) (Clarke, D. 1984; Appendix II) but in 1990 now represents only 1.3 percent of the total sales. (Trade Aid.1992; U). In 1992 close to a third of Trade Aid (Importers) Ltd trading partners are located in India (22 out of 74) (Trade Aid. 1992; Y). The remaining producer groups are located in South East Asia (eg. Bangladesh, Philippines, Thailand), Africa (eg. Kenya, Zambia) and Central and South America (eg. Peru, Mexico, El Salvador). (Trade Aid. 1992; Y). Trade Aid (Importers) Ltd also is trading with two New Zealand producer groups, Hauora Enterprises Co-operative and Tuia Co-Operative. (Trade Aid. 1992; Y).

The Trade Aid Movement describes their trading partners as including: "The people who belong to our groups are disadvantaged in many ways: Rural families who do not own any land, women with children but no-one to support them, refugee groups, rehabilitation projects and small family enterprises; in other words, people from poor communities, but with rich cultural traditions..." (Trade Aid. 1992; D1). Educational material provides descriptions of individuals in producer groups. For example, a member of a producer group is described:

Sairon Babi is a Muslim refugee from India who lives in Bogra in northwestern Bangladesh, 100 miles from Dhaka, the capital. Early in her life, Sairon went through a lot of stress and strain. Cruel treatment by her step-mother led her father to marry her off at the age of eight. Today, Sairon has two sons, two daughters, and an adopted third daughter left behind by her sister in law, who died of acute gastric ulcer. The extra girl is yet another person whom Sairon has to support. Sairon has found work by joining Enfants du Monde/International Union for Child Welfare (EDU/IUCW) basket making group.

EDU/IUCW initiated this handcraft project to lessen the hardship and suffering of as many rural families as possible. The project assists economically deprived families

(mostly landless) with work, loans, training and other inputs so as families can meet day to day needs... (Trade Aid. 1992; B2).

### **The Trading Partners' Products**

Trade Aid (Importers) Ltd imports both handcrafts and commodities. Trade Aid shops stock jute products; bags; coffee and tea; floor rugs; a changing range of gift items; different types of floor hangings; lamp shades; bedspreads; a variety of baskets and a changing range of jewellery. (Trade Aid (NZ) Inc. 1992; T). The Trade Aid Movement has two buying committees, (i) the (handcraft) Buying Committee and (ii) the Commodity Committee. (described earlier)

### **The Handcrafts**

The handcrafts sold in the 27 Trade Aid shops are made by artisan groups in developing countries. In accordance with the Movement's philosophy Trade Aid (Importers) Ltd buys handcrafts from these producer groups because it provides these groups with a supplementary income. "They are no longer able to earn their living in the same ways as they had in the past. This maybe because they have lost their traditional land to large landowners, they are unemployed or underemployed, because they are refugees or social outcasts, or as an alternative to selling their craft to exploitative middlemen and exporters." (Trade Aid Movement. 1992; Z).

Trade Aid (Importers) Ltd also has a policy of purchasing environmentally friendly products which use renewable local resources.

Our groups are able to use natural, local raw materials to earn vital income...There is minimal use of non renewable fossil fuels or harmful chemicals, so air pollution and the build up of toxic wastes are also at a minimal....Wool, cotton, cane, bamboo and clay are just a few examples of the wide range of raw materials used by our producer partners. Most of these raw materials are renewable....The hand made paper from Bangladesh is made from jute scraps. It is a local raw material, regenerating annually. The paper from Nepal is made from the bark of the 'Lokta' shrub. A new crop of this shrub is grown every year. The paper from India is made from cotton waste from factories making hosiery underwear. (Trade Aid. 1992; V).

When making its purchase selection decisions the Buying Committee assesses each sample item in terms of the following criteria:

(i) saleability: is there a market for the product in New Zealand? Does the product fill a gap in Trade Aid's range of products? Is it suitable for sale in the Trade Aid shops?

(ii) price: is the price realistic in the New Zealand market after importing and distribution costs are added?

(iii) quality: of the materials and craftsmanship;

(iii) shipping and packing: is the product breakable? Can it safely be shipped? (Trade Aid (Importers) Ltd. 1992; T).

If the product is approved by the Buying Committee it will be ordered in small quantities for trial in the Trade Aid shop network. The Trade Aid (Importers) Ltd trading liaison person regularly visits and works with the trading partners, to order more stock of handcrafts; discuss

problems connected with quality, supply and shipping; and also to discuss the commercial side of the partnership. Other factors which are taken into account by the Buying Committee when making purchasing decisions include:

- \* shortages: problems with products arriving in time due to difficulties with communications shipping and custom clearance; insufficient licence to buy as much stock as needed; insufficient budget; and political unrest;

- \* size of order: the size of the order is examined in relation to the estimated time the goods might sit on the shelf and to ensure a constant variety of stock in the Trade Aid shops;

- \* timing of order: the timing of the order must also be considered. Goods for Christmas must arrive before the end of October. Summer and winter clothing must arrive prior to season;

- \* trends in New Zealand fashions, colours, furnishings;

- \* producer criteria: how the trading partner fits into the Trade Aid criteria is considered. The needs of the trading partner are balanced with those of other trading partners;

- \* feedback: relevant comments from Trade Aid shops on sales and quality of goods.  
(Trade Aid (NZ) Inc. 1992; A1).

Other "unwritten" rules which guide the Buying Committee's decisions in the selection of goods include for example, utilitarian items being chosen over luxury goods. Ashtrays are not

imported. The Buying Committee also does not import items from trading partners which are made from classified scarce resources. Items like dolls are favoured because they can be made out of scraps of material. (Trade Aid (NZ) Inc. 1992; A1).

The Buying Committee is also restricted by what import licences are available (Trade Aid Inc. 1980; E) and the terms of the import licence. Under the terms of the Developing Countries Handcraft Scheme the goods must be hand-made of natural materials which are indigenous to the country exporting them. (Lovell, M. 1983; p.48).

### **The Commodities**

The function and structure of the Commodity Committee is defined in the organisational and operational structure section. The Commodity Committee defines a commodity as:

- \* an item which needs regular replacing;
- \* a line that opens up educational opportunities;
- \* a line that can be sold to non Trade Aid shops. (Trade Aid (NZ) Inc. 1983; G).

The Commodity Committee evaluates each commodity on the basis of its price, source and education potential. Questions such as whether the producer village can get a better price on the open market, and whether the New Zealand consumer will be offered an alternative to the usual "multi-national dominated marketing system" are considered. (Trade Aid (NZ) Inc. 1988; L). Trade Aid also encourages additional processing and packaging in the developing countries to increase the value of the products to the producer groups and encourage employment in those countries. (Trade Aid Movement. 1992; B1).

Trade Aid (NZ) Inc started importing commodities in 1976: "We have become increasingly aware that trading injustices are concerned primarily with commodities and that producers are driven to rely on handicrafts partly because their economy is dependent on the fluctuating prices of products such as tea, coffee, jute and minerals." (Trade Aid (NZ) Inc. 1978; B).

Since the producer groups the Trade Aid Movement most wanted to help were affected by the trading patterns of basic commodities, the Trade Aid Movement began trading in commodities for two primary reasons. The first reason is that: "Many underdeveloped countries are dependent on one or two major commodities and consequently international fluctuations in the price of their particular commodity do have serious effect on that country...." (Trade Aid (NZ) Inc. 1981; E). Secondly, "The shops are looking for more products to use in their educational programmes and also want more products which bring people into the shops on a regular basis." (Trade Aid (NZ) Inc. 1981; E). "All the items we sell have a story and educates the public."

Trade Aid (NZ) Inc has also tried importing other types of commodities. Trial shipments of jams and dried fruit from Western Samoa in 1981 fell through; green coffee beans from the Philippines and cashew nuts from Sri Lanka arrived in 1982 as did papads from India. The attempt to import spices from Sri Lanka failed because of the lack of an import licence. (Trade Aid (NZ) Inc. 1983; G).

In 1986 Trade Aid (Importers) Ltd investigated the potential of importing coconuts, cocoa beans, raw sugar and biscuits. (Trade Aid (NZ) Inc. 1987; K). It also saw the arrival of coffee from Nicaragua which was bought from a Dutch non profit organisation which processed and packaged Nicaraguan coffee and supplied it to other ATOs. (Trade Aid (NZ) Inc. 1987; K).

Commodities presently imported to New Zealand include: coffee from Nicaragua, Tanzania and the Cook Islands; tea from Tanzania and workers co-operatives in India; Neem soap from co-operatives in Bangladesh; cocoa and chocolate from Zimbabwe; papad savoury pancakes from a women's co-operative in Bombay, India; organically grown spices from a women's group in Sri Lanka. (Trade Aid Movement. 1992; B1). Coffee is by far the primary commodity imported by Trade Aid (NZ) Inc making up 77 percent of total value of commodities in 1990. (Trade Aid Movement. 1992; V). Outlets for these commodities include Trade Aid shops, community sellers, solidarity networks, health food shops and restaurants.

## **Chapter Summary**

This chapter has examined the New Zealand alternative trading organisation, the Trade Aid Movement, its objectives; its development and growth; key issues which have shaped the Trade Aid Movement over the last twenty years; and issues which face the Trade Aid Movement today. The current organisational and operational structure of the Movement was also discussed and the role each part plays in achieving the Movement's objectives was identified. The final section looked at the Movement's trading partners: who are they and what are their products.

One of the main aims of this study is to present a detailed case study of an ATO to increase our understanding and knowledge of these organisations; their objectives, activities and their organisational and operational structures. It is clear from this case study that ATOs are difficult organisations to manage. There are a number of factors which determine their growth and development and these are not always complementary. Trade Aid's desire to maximise income not only for their trading partners but for their own economic viability and development, their desire to tell people about trading issues and to lobby and campaign for change when and where it considers appropriate in order to promote fair trade are not always in agreement. Even

in its every day operations actions and decisions taken to achieve one goal threatens to undermine actions in another. Trade Aid has to choose between conflicting desires, expectations and needs. Trade Aid has to set priorities and this is likely to be an uneasy choice. How can Trade Aid best achieve its objectives? How can it be most effective? How can it manage its organisational resources best to achieve its goals? Questions which we will return to in Chapter Five.

This chapter has also provided a contextual background for the analytical material which is presented in the next chapter. Chapter Four will examine in greater detail the people who work within the Movement; the volunteers, staff and board members and their motivations, understanding and perceptions of the Trade Aid Movement, all critical factors in identifying the reasons behind the conflicts and contradictions within the Trade Aid Movement which have been highlighted throughout this chapter.

## Chapter Four

### **Volunteers, Staff and Board Members' Motivations, Understanding and Perceptions of the Trade Aid Movement**

Existing tensions and conflicts identified in Chapter Three was one of the primary reasons for undertaking a nation-wide survey of volunteers who work in the Trade Aid shops, staff of the Trade Aid (Importers) Ltd and board members of the Trade Aid (NZ) Inc. This chapter analyses their motivations, understanding and perceptions of the Trade Aid Movement.

Information has been collected from a nation-wide survey of the people involved in the Trade Aid Movement. A total of 810 questionnaires were given to volunteers (30 for each Trade Aid shop) and 31 were distributed to staff and board members. Of the 810 volunteer questionnaires, 287 were returned (35 percent response rate); and 21 questionnaires were returned from staff and board members (70 percent response rate). A copy of the questionnaire appears in Appendix A, along with a copy of the covering letter that was sent out to respondents to explain the purpose of the survey and to encourage their participation. A number of personal interviews were also conducted with the current staff at the Trade Aid (Importers) Ltd and Trade Aid Movement's members in the Wellington region.

The first section of this chapter examines the motivations of volunteers, staff and board members, why they are part of the Trade Aid Movement and what they perceive their involvement achieves. Then the chapter analyses their understanding about the Trade Aid Movement's objectives and activities, and then discusses volunteers, staff and board members views on how effective the Trade Aid Movement is in achieving its objectives and their suggestions for increasing Trade Aid's effectiveness. Volunteers, staff and board members were also asked to identify what issues will help shape Trade Aid Movement in the next ten years. These responses are examined in last part of this chapter.

Volunteers' answers are examined separately from those of staff and board members. Typical verbatim comments from the volunteers, staff and board members are included to support and highlight the findings. Volunteers, staff and board members answers are also summarised and collated in table form.

## **Motivations: The Whys of Behaviour**

### **Introduction**

Management in any organisation must work with and through individuals and groups to achieve its organisational goals. Knowing what the Trade Aid Movement wants to achieve is relatively simple and we can examine its organisational goals. Knowing how to make it happen, however, is something else. It would seem necessary for the Trade Aid Movement to understand as much as possible about why people do things or not do things. Why do some people volunteer and others not? Why does one volunteer prefer to work in the Trade Aid shops and another prefer to speak to local community groups about Trade Aid's objectives and activities? It is important for the Trade Aid Movement to know and understand the "whys" of behaviour to help motivate and effectively organise Trade Aid's resources.

This section examines why volunteers, staff and board members originally became involved in Trade Aid Movement and why they are still involved. Volunteers were also asked to comment on what they perceive their involvement with the Trade Aid Movement has achieved.

### **Reasons for Volunteers, Staff and Board Members Initial Involvement in the Trade Aid Movement**

Volunteers, staff and board members were asked why they first became involved in the Trade Aid Movement.

### **Volunteers' Initial Reasons**

The desire to help the powerless and under privileged people in the Third World was the primary reason for close to a third of the volunteers (29 percent) originally becoming involved in the Trade Aid Movement. This desire was combined with the volunteer's perceived need to do "something worthwhile" with their spare time and energy. The following comments are typical of 20 percent of volunteers: "On retirement from my usual occupation, I wanted to do something worthwhile which would help other people but also give satisfaction to myself." or as another volunteer said "When my youngest child started school thirteen years ago I wanted to involve myself with some worthwhile activity."

One in five volunteers also supported the Trade Aid Movement's "worthwhile objectives". For example, one volunteer stated: "Because it seemed a worthwhile project to assist the deprived people in the Third World countries to improve their living conditions."

The Trade Aid Movement's constant need for volunteers also encouraged other volunteers to join: "There was also the threat that our local Trade Aid shop was going to close unless new members were found. I felt that helping Third World people was a good cause."; "There was a shortage of people to serve in the shop. I was asked and I had the spare time so I offered to assist." Volunteers were usually introduced to Trade Aid through a friend or a local group, particularly local church groups.

Close to one in ten volunteers volunteered their services to the Trade Aid Movement because they believed Trade Aid was doing something positive and practical about the world's trading injustices and directly supporting Third World people to help themselves. The volunteer explained: "I felt that working in the shop was a way to contribute towards assisting people in

disadvantaged countries and a way of being part of a system that encourages their efforts to improve their circumstances."

Other reasons why volunteers became involved in the Trade Aid Movement included: liking Trade Aid products; experiencing overseas injustices which sparked a desire to rectify them seeking new skills; enhancing job prospects; interest in the Third World; being involved in similar organisations; and for fellow companionship. The following verbatim comments reflect the range of answers given:

We are new to the community. It was a way to meet people in the community. I am unemployed and felt that I needed something that would give me some personal satisfaction....

I first got involved with the CORSO operated shop with the aim of helping poverty stricken people of the Third World, exploited by conventional traders.

... Had travelled overseas and seen the conditions these people lived and worked in and was only too pleased to help and encourage them.

A detailed breakdown of volunteers' responses appears in Table 4.1.

### **Staff and Board Members' Initial Reasons**

Staff and board members originally became involved with the Trade Aid Movement to actively participate in changing the unjust world trading system. As one staff/board member wrote: "A commitment to justice issues. Trade Aid is a practical application of development principles." A strong commitment to support of fair trade was another reason for staff and board members'

initial involvement. For example, as one staff/board member commented: "The desire to support groups personally known to us who depended on the sale of their craft for their income, specifically the Tibetan refugees. The desire to do something about a vaguely perceived injustice in the comparative standards of living in New Zealand and Asia."

Other reasons cited included support of Trade Aid's aims; extension of work undertaken with CORSO and the desire to help the less fortunate of the Third World. Table 4.2 provides a detailed listing of staff and board members' answers.

**Table 4.1: Volunteers' Reasons for Their Initial Involvement in the Trade Aid Movement**

<b>Base: (no. of volunteers responding)</b>	<b>Total 277* No.</b>	<b>Total 277* %</b>
<b>Volunteers' Comments</b>		
<b>Helping Others</b>		
To help the underprivileged in the Third World	72	19
Sharing and giving and helping others	9	2
<b>Trade Aid's Objectives</b>		
Worthwhile objectives	33	9
Agreed with objectives	23	6
<b>Helping People to Help Themselves</b>		
Not a charity; people helping themselves	19	5
<b>Positive Action Against Trading Injustices</b>		
Doing something positive about the trading injustices.	15	4
<b>Shortage of Volunteers</b>		
Shortage of volunteers; friend/local church/group asked me to join	37	10
<b>Spare Time and Energy</b>		
Spare time/energy - wanted to do something worthwhile	39	11
Wanted worthwhile work/interest after retirement	17	5
Wanted to do volunteer work	7	2

<b>Base: (no. of volunteers responding)</b>	<b>Total 277* No.</b>	<b>Total 277* %</b>
<b>Other Reasons</b>		
Liked the products sold in the shops	14	4
Travel overseas; witnessed injustices and want to rectify it	13	4
Through other family member being involved	11	3
Unemployed: enhances job prospects	10	3
Involved in other similar groups; eg. CORSO	9	2
Interested in/enjoy/have necessary skills in shop work	8	2
Appeared interesting (eg. how other people lived, etc)	8	2
For companionship/way to meet people	7	2
<b>Other Comments **</b>	<b>20</b>	<b>6</b>
<b>Total Comments***</b>	<b>371</b>	<b>100</b>

\* *Ten volunteers did not answer the question.*

\*\* *One off comments by volunteers included: ' helping establish a shop; interested in far-away places; an advertisement in the paper.'*

\*\*\* *A number of volunteers gave more than one reason.*

**Table 4.2: Staff and Board Members' Reasons for their Initial Involvement in the Trade Aid Movement**

<b>Base: (no. staff and board members responding)</b>	<b>Total 21 No.</b>
<b>Staff and Board Members' Comments</b>	
Practical application of development principles/helping right the trading injustices	7
Support justice/fair trade issues	5
Support aims/objectives of Trade Aid Movement	2
Extension of work I was doing with CORSO	2
Help the poor; less fortunate people of the Third World	2
Desire to support Tibetan refugees/other groups whose lives depended on craft sales	2
Applied for the job	1
A unique organisation run mostly by volunteers	1
Interest in how other people lived and how goods were made	1
Best form of aid I had heard of	1
Opportunity to use my degree	1
Asked by a friend	1
Best chance for a viable organisation, as increased number of import licences	1
<b>Total Comments *</b>	<b>27</b>

\* *A number of respondents gave more than one reason.*

## **Reasons for Volunteers, Staff and Board Members' Continued Involvement in the Trade Aid Movement**

To help identify any changes in their reasons over time, volunteers, staff and board members were asked why they continued to be involved in the Trade Aid Movement.

### **Volunteers' Reasons for their Continued Involvement**

The desire to help the powerless and underprivileged people of the Third World was one of the primary reasons why close to one quarter of the volunteers (24 percent) continued to work in the Trade Aid shops. 18 percent of the volunteers believed it was a practical way to help people of the Third World to help themselves and to raise their standard of living. For example: "It helps people to help themselves instead of relying on charity. Giving some control of their own lives." Another volunteer stated: "I feel the Trade Aid Movement is one of the best ways to help the poor communities in the Third World. Not giving charity but by encouraging people to help themselves and build up their self respect and mutual co-operation..."

Close to one third of the volunteers (30 percent) also enjoyed their work and enjoyed meeting and working with others who have similar interests: "I really like working there. Meeting the people. I get on well with other staff and make good friends." Trade Aid's worthwhile objectives was another reason why a quarter of the volunteers continued to offer their time and energy to the Trade Aid Movement.

Other reasons cited by volunteers included their role in raising the awareness and educating New Zealanders about Trade Aid's objectives and activities and the constant need for volunteer support at local Trade Aid shops. Twelve of the volunteers continued their support

of Trade Aid. As one volunteer stated: "Because ... fair trade is better than other forms of aid, (except in crisis) and gives dignity to people." Trade Aid, they thought, worked towards establishing a fair trading system. A detailed list of volunteers' reasons is presented in Table 4.3.

### **Staff and Board Members' Reasons for their Continued Involvement**

Staff and board members gave a variety of reasons for their continued involvement in the Trade Aid Movement. Three of the fourteen staff and board members still involved in the Trade Aid Movement found the work stimulating, satisfying and rewarding. Other reasons cited by staff and board members showed their commitment towards fair trade issues; the practical opportunity to change existing unjust trading systems; the opportunity to redress the balance of power; and a chance to work to change the conditions which cause poverty and oppression.

Five of the fourteen staff and or board members still currently involved with the Trade Aid Movement in some way, however, indicated their desire to lessen their level of involvement. However, there were "no willing or able" people around to do the job. Table 4.4 highlights reasons why staff and board members are still involved in the Trade Aid Movement.

**Table 4.3: Volunteer's Reasons for their Continued Involvement in the Trade Aid Movement**

<b>Base: (no of volunteers responding)</b>	<b>Total 275* No.</b>	<b>Total 275* %</b>
<b>Volunteers' Comments</b>		
<b>Helping Others</b>		
To help the underprivileged in the Third World	66	17
Helping people to help themselves	18	5
To help underprivileged to raise their standard of living and self esteem	16	4
Practical way of helping people in the Third World	16	4
Helping people sell their craft for a fair price	8	2
<b>Trade Aid's Objectives</b>		
Has worthwhile objectives	41	11
Support/believe in Trade Aid Movement's objectives	16	4
Making the ideal of fair trade a reality	12	3
<b>Trade Aid Shops</b>		
Enjoy working at the Trade Aid shops	42	11
Enjoy meeting other people with similar interests	23	6
Interesting/worthwhile work at the Trade Aid shops	13	3
Personal satisfaction/doing something useful	6	2
<b>Shortage of Volunteers</b>		
Still needed/had the time to volunteer	18	5

<b>Base: (no of volunteers responding)</b>	<b>Total 275* No.</b>	<b>Total 275* %</b>
<b>Educational Role</b>		
Heighten awareness of the needs of the Third World	13	11
Educate New Zealand public about the Third World	12	6
<b>Other Reasons</b>		
Still unemployed/for experience	4	1
Greater commitment to social/justice issues	3	1
Not easy to get out	2	1
<b>Other Comments**</b>	52	14
<b>Total Comments***</b>	<b>381</b>	<b>100</b>

\* 12 volunteers did not answer this question

\*\* One off comments by volunteers which included: 'still interested in the Trade Aid Movement; for experience; committed to the Trade Aid Movement; concern for the planet; 'encourage trade between countries.'

\*\*\* A number of respondents gave more than one reason.

**Table 4.4: Staff and Board Members' Reasons for their Continued Involvement in the Trade Aid Movement**

<b>Base: (no. of staff/board members still involved in Trade Aid Movement)</b>	<b>Total 14 No.</b>
<b>Staff and Board Members' Comments</b>	
Would like to stop but no-one willing to take over	5
Rewarding/satisfying/challenging	3
Passive supporter only	2
As a consultant only, eg. help establish Trade Aid Movement shop	1
Like the people/trading partners	1
Worthwhile organisation to be involved in	1
Support philosophy of Trade Aid Movement	1
Practical way to work for change towards an alternative economic system	1
Necessary to redress the balance of power	1
Trade Aid Movement work involves environmental, economic and political issues	1
Long term work to change conditions which cause poverty and oppression	1
<b>Total Comments*</b>	<b>19</b>

\* *A number of respondents gave more than one reason.*

### **What Volunteers' Perceive Their Involvement Achieves**

To identify whether or not the volunteers' motivation for supporting the Trade Aid Movement is being satisfied, volunteers were asked what their involvement in the Trade Aid Movement achieved.

Helping the 'less fortunate' in the Third World to achieve a better standard of living by selling their crafts through the network of Trade Aid shops was the central achievement for 45 percent of the volunteers. Typical comments were:

I hope that I am doing a little bit to enable people in poor countries earn their own living by providing an outlet for their goods as Trade Aid does.

A lot of satisfaction in knowing that my small contribution is helping those of the Third World countries to make a living and so improving their living standards.

Assisting individuals working as co-operatives to become self-sufficient in some measure.

Volunteers also recognised their role in managing the Trade Aid shops and educating the New Zealand public about the needs of the Third World. As this volunteer wrote: "Support in running of the shop. Ensuring the success of the business. Educating friends, colleagues and customers about the existence of Trade Aid and what the Movement stands for."

One in eight volunteers believed their contribution to the Trade Aid Movement worked towards establishing a fairer trading system, for example: "Helping to distribute wealth justly and give a fair return to the Third World workers."

Personal satisfaction of working for a worthwhile cause, and learning about the Third World, its people and its problems were also mentioned.

A detailed list of volunteers' answers appears in Table 4.5.

**Table 4.5: What Volunteers' Perceive Their Involvement Achieves**

<b>Base : (no. of volunteers responding)</b>	<b>Total 265* No.</b>	<b>Total 265* %</b>
<b>Volunteers' Comments</b>		
<b>Helping Others</b>		
Helping people in the Third World to be self sufficient; a better standard of living; basic needs.	48	16
Helping people in the Third World to sell their crafts (to raise standard of living, etc)	44	15
Helping less fortunate people in the Third World	26	9
<b>Educating New Zealanders</b>		
Educating the New Zealand population/community about the needs of the Third World; unjust trading patterns, development issues	52	18
<b>Role of Volunteers</b>		
Playing my part to keep Trade Aid Movement running/shops open	26	9
<b>Job Satisfaction</b>		
Learning about Third World countries/people/wider world issues	16	6
Personal satisfaction doing a worthwhile/useful job	13	5
Meeting interesting people/working with people with similar interests	9	2
<b>Establishing Fair Trade</b>		
Helping people to trade fairly, establish a fair trading system	20	7

Base : (no. of volunteers responding)	Total 265* No.	Total 265* %
<b>Other Reasons</b> Only help in a small way/drop in the bucket/not much	10	3
<b>Other Comments**</b>	28	10
<b>Total Comments***</b>	<b>292</b>	<b>100</b>

\* 22 volunteers did not answer this question.

\*\* Other one-off comments by volunteers included: 'helping keep costs down by being a volunteer; escape from boredom; serving the community; and beautiful crafts the producer groups make'.

\*\*\* A number of respondents gave more than one reason.

## **Summary of Findings: Motivations: The Whys of Behaviour**

### **Volunteers' Motivations and Achievements**

The desire to help the 'powerless and underprivileged' people of the Third World in a worthwhile and useful way and 'spare time and energy' were the primary reasons for volunteers becoming involved originally with the Trade Aid Movement. The reasons for their continued involvement in the Trade Aid Movement were similar to those for their initial involvement but overall showed an increasing and deepening understanding and support of Trade Aid Movement objectives and activities. Enjoyment of meeting and working with people with similar interests was another common reason cited by volunteers.

Volunteers saw themselves directly helping the 'less fortunate' in the Third World to 'help themselves' achieve a better standard of living. Some volunteers saw themselves helping work towards the establishment of a fairer trading system; others saw themselves playing a key role in helping the Trade Aid Movement achieve its objectives by managing the Trade Aid shops and educating the New Zealand public about the Trade Aid Movement, its objectives and activities.

### **Staff and Board Members' Motivations**

Staff and board members initially were driven by a stronger commitment to fair trade issues. The Trade Aid Movement offers them an opportunity to work actively to change the 'unjust' and often 'exploitative' trading systems. Their reasons for their continued involvement again echoed the strong level of commitment in working towards a fair and just world. It was, however, interesting to note that of those 14 who were still actively involved in the Trade Aid

Movement, five indicated their desire to lessen their involvement. There was, however, a shortage of 'willing and able' people to replace them.

## **Understanding: Level of Comprehension**

### **Introduction**

One of the primary roles of the volunteers is to help educate New Zealanders about the causes and the consequences of unfair trading systems and Trade Aid's objectives and activities. In order to achieve this effectively, volunteers, staff and board members must have a good understanding and knowledge of Trade Aid's objectives and activities. It is important therefore to identify what staff, board members and, in particular, volunteers understand to be Trade Aid's objectives and activities.

### **What Does the Trade Aid Movement Do?**

Volunteers, staff and board members were all asked to describe the Trade Aid Movement activities. All believed that the Trade Aid Movement's primary activity is to provide an alternative trading outlet for its trading partners' products. As one volunteer commented: "We import crafts and commodities from co-operatively run groups in developing countries and retail them through Trade Aid shops...". This alternative trading system is perceived to offer Trade Aid's trading partners an opportunity to trade fairly, without the middleman, and to receive a fair price for their products. To quote one volunteer "Basically selling goods to help the poor. Creating an alternative way to trade which brings maximum benefits to co-operatives in developing countries ...". Volunteers, staff and board members believed that efforts bring maximum benefit to Trade Aid's trading partners by raising their standard of living, self esteem and self sufficiency. The following comments highlight these views:

Through direct contact with producer co-operatives and purchasing their goods, we enable people to have self direction and dignity in their lives. This ensures their handcraft/products continue and through our payment enables them to improve living conditions, health and education.

...buying their handcrafts and commodities which enables people to develop self esteem and confidence while working to improve their living conditions and move beyond survival.

One in five volunteers, and ten of the 21 staff and board members also commented on Trade Aid's role in raising the awareness of and educating the New Zealand public about the injustices and consequences of unfair trading practices: "A way of educating people about the injustices of the unfair trading practices which cause extreme poverty and is caused largely by exploitation." Summarised comments are presented in Table 4.6 and Table 4.7.

**Table 4.6: Volunteers' Understanding of Trade Aid Movement's Activities**

<b>Base: (no. of volunteers responding)</b>	<b>Total 257* No.</b>	<b>Total 257* %</b>
<b>Volunteers' Comments</b>		
<b>A Market Outlet</b>		
Provide a market outlet/income to provide trading partners with an income to achieve a better standard of living; self sufficiency	64	18
Provide a market outlet for trading partners products	48	13
<b>Fair Trade</b>		
Offers alternative trading system without 'middleman' so producer gets a fair price	65	18
Help Third World countries through fair trade	33	9
<b>Helping Others</b>		
Helping the powerless/unfortunate Third World people	22	6
Helping Third World people to help themselves	19	5
<b>Education / Lobbying Role</b>		
Educate community/New Zealanders about problems of Third World	31	9
Educate New Zealanders about fair trading issues	7	2
Lobby government on trade injustices	7	2

Base: (no. of volunteers responding)	Total 257* No.	Total 257* %
<b>The Trade Aid Movement</b>		
Very caring/dedicated/well meaning group of people	10	3
ATO which puts Third World people before profit; and profit back to the people	8	2
<b>Other Comments**</b>	46	13
<b>Total Comments***</b>	<b>360</b>	<b>100</b>

\* 30 volunteers did not comment.

\*\* Other one-off comments made by volunteers included: 'being a voluntary organisation; belief in equality and fairness; not a charity; partnerships with producer groups; prepay producers and shops throughout New Zealand.'

\*\*\* A number of respondents gave more than one reason.

**Table 4.7: Staff and Board Members' Understanding of Trade Aid Movement Activities**

Base: (no. staff/board members responding)	Total 21 No.
<p><b>Staff and Board Members' Comments</b></p> <p><b>Market Outlet</b></p> <p>Import crafts/commodities from producer groups and sell them through the Trade Aid shops 10</p> <p>Selling goods to help the poor 2</p> <p>Provides another source of income 1</p> <p>Practical help for Third World people 1</p>	
<p><b>Educational Role</b></p> <p>Educate New Zealanders about development; justice &amp; trade issues 10</p> <p>A lobby group on trading issues 1</p>	
<p><b>A Fair Trade System</b></p> <p>Creating an alternative way to trade which brings maximum benefit to producer groups and a fairer way to trade 8</p> <p>Trading as partners of producer groups in Third World and New Zealand 1</p>	
<p><b>Help Raise the Standard of Living</b></p> <p>Empower people of the Third World to control their lives 3</p> <p>Keeps indigenous crafts alive 1</p>	

<b>Base: (no. staff/board members responding)</b>	<b>Total 21 No.</b>
<b>Other Reasons</b>	
Hardworking and dedicated group of people concerned about the Third World and global issues	1
A non profit organisation	1
<b>Total Commer's*</b>	<b>40</b>

\* *A number of respondents gave more than one reason.*

## **What are the Trade Aid Movement's Objectives?**

To identify their awareness of Trade Aid's objectives each respondent was asked to identify what they perceived to be the Trade Aid Movement's objectives.

### **Volunteers' Identified Trade Aid's Objectives of the Trade Aid Movement**

Volunteers identified three main objectives of the Trade Aid Movement: (i) raising the standard of living of Trade Aid's trading partners; (ii) working towards establishing a fair trading relationship with them; and (iii) educating New Zealanders about trading injustices and unfair trading patterns. The following verbatim statements are typical of volunteers' comments:

To trade fairly with powerless groups giving them an outlet for their products. To draw attention to unfair trading practices and to try and remove obstacles. To help producer groups to achieve self reliance.

Recognising and addressing trading injustices. Providing fair trading for self-help and small producer groups who would otherwise be highly vulnerable and open to exploitation. Educating New Zealanders about injustices and poverty among people in developing countries. Actively pursuing injustices and lobbying for their remedies.

Alternative trading organisation paying a fair price to produce partners in the Third World. To help them improve their income and better their living standards for the whole community. Using this trade to increase public awareness on causes of poverty and trading issues generally.

Two in five volunteers believed that a fair and equitable trade leads to a better standard of living and increased self sufficiency and self-esteem for Trade Aid's trading partners.

Other objectives identified by volunteers included helping the "less fortunate" of the Third World and those Third World groups. 'who help themselves', as well as providing a market outlet for their products. A full list of volunteers' answers is given in Table 4.8.

### **Staff and Board Members' Identified Objectives of the Trade Aid Movement**

Staff and board members identified Trade Aid's main objectives as being: (i) educating New Zealanders about relevant development and trading issues; (ii) establishing a fair trading system; and (iii) raising the standard of living of Trade Aid's trading partners. Trade Aid also provided a market outlet for Trade Aid's partner's products. A full list of their answers is provided in Table 4.9.

**Table 4.8: Trade Aid Movement's Objectives Identified by the Volunteers**

<b>Base: (no. of volunteers responding)</b>	<b>Total 263** No.</b>	<b>Total 263** %</b>
<b>Volunteers' Comments</b>		
<b>Raise the Standard of Living</b>		
Raise the standard of living; self sufficiency & self esteem of Third World people	91	22
Help women's groups achieve a better standard of living	13	3
<b>Establish a Fair Trade System</b>		
Work towards establishing a fair trade relationship with producer groups	92	22
Promote fair trade	18	4
<b>Educating New Zealanders</b>		
Educate New Zealanders about trading injustices/unfair trading patterns	90	21
<b>Helping Others</b>		
Helping the less fortunate in the Third World nations	26	6
Assist Third World people who 'help themselves'	21	5
<b>A Market Outlet</b>		
A market outlet for Trade Aid's trading partners products	35	8

<b>Base: (no. of volunteers responding)</b>	<b>Total 263** No.</b>	<b>Total 263** %</b>
<b>Other Objectives</b>		
Promote sustainable/environmental friendly developmental trade	6	2
Build partnerships with trading partners	5	1
<b>Other Comments**</b>	25	6
<b>Total Comments***</b>	<b>422</b>	<b>100</b>

\* 24 volunteers did not answer.

\*\* One-off comments by volunteers included: "to extend the range of people helped"; "creating goodwill between countries"; "to sell as much as possible; to expand outlets."

\*\*\* A number of respondents gave more than one reason.

**Table 4.9: Trade Aids Movement's Objectives Identified by Staff and Board Members**

<b>Base: (no. staff/board members responding)</b>	<b>Total 21 No.</b>
<b>Staff and Board Members' Comments</b>	
<b>Educating New Zealanders</b>	
Educate New Zealanders on trading and development issues	10
Lobby for change for a fair trading system	3
<b>Establish A Fair Trading System</b>	
To establish a fairer trading system	10
<b>Raise The Standard of Living</b>	
To empower our trading partners to overcome exploitation	7
To establish meaningful partnerships with producer groups	3
<b>A Market Outlet</b>	
To provide as many opportunities to sell our producer groups' products	5
<b>Other Comments</b>	
Practical help for the Third World	1
Problems with putting fair trade into practice	1
Provides sustainable employment in New Zealand	1
Aims of the Movement are clearly stated	1
Profit used to buy more interesting products	1
<b>Total Comments*</b>	<b>43</b>

\* *A number of respondents gave more than one reason.*

## **How does the Trade Aid Movement Achieve Its Objectives**

Respondents were asked how the Trade Aid Movement achieves its objectives. The aim of this question was to identify the volunteers, staff and board members' understanding of how the Trade Aid Movement activities contributed towards the achievement of its objectives. Similar answers were given by all three groups.

### **Trade Aid's Objective of Educating New Zealanders About the Trade Aid Movement and Related Trade and Development Issues**

Volunteers, staff and board members identified that raising the awareness of Trade Aid's members and the New Zealand public about the injustices of the present trading system and the consequences is achieved by the educational material provided by Trade Aid (Importers) Ltd, talks to local community groups, public displays and publicity campaigns about Trade Aid, its trading partners and their products.

### **Trade Aid's Objective of Establishing a Fair Trading System**

Offering a fair price, buying directly from its trading partners, excluding the middleman, and prepaying its trading partners were identified by volunteers, staff and board members as ways of establishing a fair trading system. As these volunteers explained:

By helping with the formation of co-operatives and giving them a fair price for their produce. To break the grips of the multinationals and 'middlemen' by trading directly with the groups...

By importing direct from producer groups. No middle person. By promoting aims of Trade Aid, etc, in the general community. By giving producer groups the price they ask. By pre-paying 30% of the price.

### **Trade Aid's Objective of Providing a Market Outlet**

The network of Trade Aid shops throughout New Zealand fulfils the objective of providing a market outlet for Trade Aid's producer group's products, "... By being an outlet where the public can buy goods from other countries and talk about Trade Aid..."

Volunteers, staff and board members also cited other ways that Trade Aid achieves objectives including having a close relationship and a genuine interest in their trading partners; and the use of volunteers to manage the Trade Aid shops which means the "best possible return to the producer."

Tables 4.10 and 4.11 lists volunteers, staff and board members' answers.

**Table 4.10: Ways of Achieving Objectives Identified by Volunteers**

<b>Base: (no. of volunteers responding)</b>	<b>Table 242* No.</b>	<b>Total 242* %</b>
<b>Volunteers' Comments</b>		
<b>Raising Awareness &amp; Educating</b>		
Education of public about Trade Aid and other trading issues	42	11
Advertising and publicity about Trade Aid Movement	27	7
Local community talks and displays	25	6
Lobbying government and other institutions	11	3
Training and education of volunteers	8	2
It is the role of the education person	6	2
Regional conferences and meetings and Trader Tales	5	1
National promotional campaigns	5	1
<b>Establishing a Fair Way to Trade</b>		
By trading fairly/offering a fair price to trading partners	37	9
By buying directly (avoid middleman) from trading partners	15	4
By prepaying trading partners	11	3
<b>Providing A Market Outlet</b>		
Promoting/selling producer partners' products	42	11
Increasing number of shops throughout New Zealand	9	2
Having a wide variety and quality products	3	1

<b>Base: (no. of volunteers responding)</b>	<b>Table 242* No.</b>	<b>Total 242* %</b>
<b>Producer Groups</b>		
Investigating/monitoring producer groups that need the trade the most	16	4
Working with co-operatives that produce the articles	13	3
Establishing new co-operatives	8	2
Maintaining contacts with trading partners	6	2
Encouraging women's co-operatives to sell their goods	4	1
<b>Volunteers' Role</b>		
Volunteers' hard work commitment and low over head cost	29	7
<b>Other Comments**</b>	71	18
<b>Total Comments***</b>	<b>393</b>	<b>100</b>

\* 45 volunteers did not answer this question

\*\* Other comments included: 'doing very well; paying more than 30%; need more information; advertising; by following the original aims and by operating as they do.'

\*\*\* A number of respondents gave more than one reason.

**Table 4.11: Ways of Achieving Objectives Identified by Staff and Board Members**

Base: (no. staff/board members responding)	Total 21 No.
<p><b>Staff and Board Members' Comments</b></p> <p><b>Raising Awareness &amp; Educating</b></p> <p>Educate people through Traders Tales; information at shops &amp; publicity 9</p> <p>50% education levy supports paid education staff to research; provide education material 1</p> <p>Each product tells a story; illustrate trading injustices that affect producer 1</p> <p>Selling goods to educate as well as provide customer value 1</p>	
<p><b>Establishing A Fairer Way to Trade</b></p> <p>Purchasing goods at a fair price from producer groups 3</p> <p>Keeping in touch with trading partners/product liaison person visits 2</p> <p>Building partnerships with producer groups 2</p> <p>Fighting against injustices towards a fairer way to trade 1</p> <p>Trading fairly with producer groups 1</p> <p>Contact co-operatives in Third World countries 1</p>	
<p><b>Providing A Market Outlet</b></p> <p>Selling products through Trade Aid Movement shops 4</p> <p>Buying and selling crafts/commodities from producer groups 3</p> <p>By managing Trade Aid Movement shops 1</p> <p>Run by volunteers; low overheads 1</p>	

<b>Base: (no. staff/board members responding)</b>	<b>Total 21 No.</b>
<b>Other Comments</b> Too much amateurism and suspicion of professional skills Growth of body shop - good example of human values combined effectively with new business A lot of hard work by members of the Movement Achieves very little of its objectives Retailing/trading objective well established; education objective needs lots more work, long way to go to achieve structural change No comment	 1 1 1 1 1 1
<b>Total Comments*</b>	<b>37</b>

\* *A number of respondents gave more than one reason.*

### **Summary of Findings: Understanding: The Level of Comprehension**

Volunteers, staff and board members all showed a good knowledge and understanding of the Trade Aid Movement's objectives and activities. The Trade Aid Movement is perceived as an organisation which provides its trading partners with an opportunity to trade fairly without the middleman and to receive a fair price for their goods, enabling them to raise their standard of living, self-esteem and achieve self sufficiency. The Trade Aid Movement also plays an important role in raising the awareness of and educating New Zealanders about the injustices and consequences of unfair trading practices.

The Trade Aid Movement, volunteers, staff and board members identified the following means of achieving the Movement's objectives:

- \*raising the awareness of its members and the New Zealand public through its educational material, talks, displays, publications and national campaigns;

- \*establishing an alternative trading system which offers a 'fair price'; buys directly from the trading partners (avoiding the middleman) and uses the method of prepaying for their goods;

- \*promoting and selling Trade Aid's trading partner's products through the network of Trade Aid Movement shops.

The next section will examine how effective volunteers, staff and board members believe the Trade Aid Movement has been in achieving its objectives.

## **Effectiveness: How Well Has the Trade Aid Movement Achieved Its Objectives**

### **Introduction**

This section examines how effectively the Trade Aid Movement has achieved its objectives based on the volunteers, staff and board members' opinions. It also examines their suggestions to help improve the Trade Aid Movement in achieving its goals.

### **Perceived Effectiveness of the Trade Aid Movement In Achieving Its Objectives**

Volunteers, staff and board members were asked to rate the effectiveness of the Trade Aid Movement in achieving its objectives using a rating scale where 5 = very effective; 4 = effective; 3 = neither effective nor not effective; 2 = not very effective and 1 = not at all effective.

Of the 253 volunteers, staff and board members who responded, 214 (85 percent) rated the Trade Aid Movement as being *very effective* or *effective* in achieving its objectives; in comparison to the 32 volunteers and 7 staff and board members (15 percent) who believed Trade Aid was either neither effective nor not effective or ineffective.

Table 4.12 lists the effectiveness ratings of volunteers, staff and board members. It is interesting to note that staff and board members' effectiveness rating overall was lower than the overall rating given by volunteers. This could be explained by Trade Aid's staff and board members having a greater understanding of what is involved in achieving Trade Aid's objectives.

**Table 4.12: Volunteers, Staff and Board Members'  
Effectiveness Ratings**

	Total	Volunteers	Staff and Board Members
<b>Base: (no. of respondents)</b>	<b>253</b>	<b>234</b>	<b>19</b>
<b>Rating</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
5 = Very Effective	54	53	1
4 = Effective	160	149	11
3 = Neither/Nor	27	22	5
2 = Not Very Effective	10	8	2
1 = Not At All Effective	2	2	-
<b>Mean Score</b>	<b>4.00</b>	<b>4.05</b>	<b>3.57</b>

## **Why the Trade Aid Movement Is Considered Effective In Achieving Its Objectives**

Those 214 volunteers (85 percent) who gave a rating of (5) *very effective* or (4) *effective*, supplied a variety of reasons to support their answer. The positive impact the Trade Aid Movement has on its trading partners was cited one reason: "We have seen through videos and photos the result of the Trade Aid Movement helping those producer groups and how their standard of living has improved." Other reasons included the increasing sales of handcrafts and commodities. The increasing number of Trade Aid shops throughout New Zealand was given as another reason in support of volunteers, staff and board members' positive ratings.

Volunteers' comments also focused on the increasing public awareness of New Zealanders about the Trade Aid Movement; the increasing number of trading partners in the Third World; the widening customer base; and the wider variety and improved quality of stock. As one volunteer stated: "Our local shop has expanded in size. We are displaying more Trade Aid goods and those goods are of better quality and more saleable than when I first got involved with Trade Aid Movement"

Dedicated, enthusiastic, caring and hardworking members of the Trade Aid Movement was also mentioned by 16 of the volunteers as their reason for rating Trade Aid as very effective or effective: "... the shop is thriving and the people involved are very dedicated and do their utmost to ensure the shop activities run smoothly and they are definitely helping people."

Comments by 15 volunteers also focused on the need to have more effective educational and publicity activities about the Movement's objectives and activities: "We are doing very well but could do better with the education and advertising."

Table 4.13 lists the volunteer's reasons for rating the Trade Aid Movement as being effective or very effective in achieving its goals.

Those 12 staff and board members who gave a rating of 5 or 4 (very effective or effective) also gave wide ranging reasons which were similar to the volunteers answers. A full list of staff and board members' reasons is presented in Table 4.14. However the following verbatim are typical of their comments:

...(i) increasingly thinking people accept the ideas; (ii) increasingly the shops are more recognisable and are becoming known; we are achieving a national coverage.

Level of sales means producer groups are being supported to a certain degree. This will always be a drop in the bucket but is worthwhile for those groups who trade with the Trade Aid Movement. A reasonable level of media coverage has been gained over the years. Lobbying of government ministers and other groups has affected some change in attitude, however slight.

First hand knowledge that Trade Aid Movement work is of real significance to many in producer groups in economic and morale terms is may main reason. I feel we have the potential to do better and also in our educational work.

**Table 4.13: Effectiveness of the Trade Aid Movement In Achieving  
Its Objectives**

**Volunteer's Reasons for Giving a Very Effective or Effective Rating**

<b>Base: (no. of volunteers who gave a rating of 5 or 4)</b>	<b>Total 202 No.</b>	<b>Total 202 %</b>
<b>Volunteers' Reasons</b>		
<b>Positive Impact of the Trade Aid Movement</b>		
Hearing/reading about the positive impact on our trading partners	21	9
Positive feedback from customers about our work	8	3
<b>Increasing the Network of the Trade Aid Shops</b>		
Increasing number of shops and increasing the turnover	10	4
Local shop trading successfully	5	2
Difference between shops motivation/focus on goals	2	1
<b>Increasing Sales</b>		
Increasing sales	13	6
Goods selling well	2	1
<b>Role of Volunteers and Staff</b>		
Dedicated, enthusiastic, caring, hardworking volunteers and staff	16	7
<b>Increasing Awareness/Educating NZers</b>		
Increasing understanding of New Zealanders about Trade Aid	11	5
Widening customer base	10	4
Still a lot of people unaware of Trade Aid Movement and it's activities	9	4
More work needed in publicity/education area	6	3
<b>Trading Partners</b>		
Increasing number of producer groups	5	2
Communication between trading partners and Trade Aid	3	1
Producer groups must fit Trade Aid's criteria	2	1

<b>Base: (no. of volunteers who gave a rating of 5 or 4)</b>	<b>Total 202 No.</b>	<b>Total 202 %</b>
<b>Trading Partners' Products</b>		
Widening variety and improved quality of stock	7	3
Needs closer quality control	1	1
National promotions and co-ordination could be better	1	1
<b>Other Reasons</b>		
Still open; must be achieving it's goals	5	2
From my own observations	5	2
<b>Other Comments**</b>	82	35
<b>No Comments***</b>	12	5
<b>Total Comments****</b>	<b>236</b>	<b>100</b>

\* *Fifty three volunteers did not rate the Trade Aid Movement effectiveness. Reasons given focused on their length of time with the Movement being too insufficient to comment. Many also felt they were not in a position or didn't have any or enough information about the Trade Aid Movement to base a worthwhile opinion on.*

\*\* *These wide ranging one off comments and suggestions by volunteers included: 'excellent ways of helping; more starving children without Trade Aid Movement; and by long association with Trade Aid Movement.'*

\*\*\* *Twelve volunteers gave a rating but gave no reason for it.*

\*\*\*\* *A number of respondents gave more than one reason.*

**Table 4.14: Effectiveness of the Trade Aid Movement In Achieving Its Objectives**  
**Staff and Board Members' Reasons for Giving a Very Effective or Effective Rating**

Base: (no. staff and board members who gave a rating of 5 or 4)	Total 11 No.
<b>Staff and Board Members' Reasons</b>	
Fair trading side well established	2
Effective only to a small population group	2
Partnerships with producer groups	1
Level of sales, producer partners supported to a certain degree	1
First hand knowledge that Trade Aid Movement makes a significant difference to its trading partners	1
Growing Movement - numbers and turnover	1
Trade Aid Movement works - people buy and are educated	1
Achieving increasing awareness amongst New Zealand public	1
Producer groups visits. Some control on progress	1
Educational and campaigning activities are weaker	1
Lobbying government has meant some change	1
Thinking people accept ideas	1
Difficult to assess the results	1
Dedication of staff enhances its effectiveness	1
Doing their best with limited resources	1
Room for improvement	1
<b>Total Comments*</b>	<b>18</b>

\* A number of respondents gave more than one reason.

## **Why the Trade Aid Movement Is Considered Ineffective In Achieving Its Objectives**

Those 32 volunteers and seven staff and board members that gave a rating of three or below believed the Trade Aid Movement was not effective in achieving its objectives because of insufficient time and resources being spent on educational and publicity work designed to raise New Zealanders' awareness and understanding of the Trade Aid Movement's objectives and activities, and the causes and consequences of the unfair trading system. Too many people, they believed, are unaware of the Trade Aid Movement. As one person commented: "Trade Aid has a low profile in an age where slick promotions and image are all important. This militates against its effectiveness ..."

Other reasons cited included: the Trade Aid Movement was too small to fight against the multi-nationals which ruled the international trading system, and Trade Aid's competitors in the shape of the commercial retailers and other ATOs; the downturn in the New Zealand economy; the unprofessional management of the Trade Aid shops, the problems of educating the New Zealand public about trading injustices and the Trade Aid Movement; "and the general lack of political awareness and awareness of social justice, fair trade issues."

One-off comments by volunteers, staff and board members also include problems associated with running out of stock; lack of professionalism of volunteers, staff and board members; need for younger volunteers; and a focus on increasing sales instead of on challenging the injustices related to trade.

It is interesting to note that a higher proportion of staff and board members (36 percent) believed the Trade Aid Movement was not effective in achieving its objectives, compared to 14 percent of the volunteers. This difference could be explained by staff and board

members greater understanding of the fair trade issues, closer involvement with the organisation, and their greater commitment to actively changing the unjust trading systems.

These results also indicate a potential conflict between staff and board members and volunteers of the Trade Aid Movement over their perceptions of Trade Aid's effectiveness in achieving its objectives. With diverging perceptions of how effective Trade Aid currently is in meeting the challenges of their objectives, diverging opinions could also exist or develop over how best to achieve its objectives and the future of the Trade Aid Movement.

**Table 4.15: Effectiveness of the Trade Aid Movement In Achieving Its Objectives**  
**Volunteers' Reasons for Giving a Rating of Less Than Effective**

	<b>Total</b>
<b>Base: (no. of volunteers who gave a rating of 3, 2 or 1)</b>	<b>32</b>
	<b>No.</b>
<b>Volunteers' Reasons</b>	
Too many people unaware of Trade Aid Movement; its work/objectives	10
Not enough publicity/education work on Trade Aid Movement's work	7
Trade Aid Movement too small to be effective to compete against multi-nationals and rival competition	6
Shop always quiet/downturn in economy	2
Similar products sold in non Trade Aid shops	1
More could be done	1
Trade Aid Movement goods have little appeal	1
A voluntary organisation which has special challenges	1
Other Trade Aid shops not run well	1
Cannot earbash customers on the political realities	1
Education campaign - a failure	1
No way of knowing how effective it is	1
Too much work for education person	1
Effectiveness determined by local shops	1
Many people think we sell junk	1
<b>Total Comments*</b>	<b>36</b>

\* *A number of respondents gave more than one reason.*

**Table 4.16: Effectiveness of the Trade Aid Movement In Achieving Its Objectives**  
**Staff and Board Members' Reasons for Giving a Rating of Less Than Effective**

Base: (no. staff/board members who gave a rating of 3, 2 or 1)	Total 7 No.
<b>Staff and Board Members' Reasons</b>	
Too small to be effective	2
A '2' in terms of our stated aims; a '4' bringing benefits to specific producers '4' = importing/selling; a '2' = education	1
A lot of potential but not promoted to the fullest	1
GATT; world wide economy and the problem deepens	1
Dedicated volunteers and staff but lack professionalism	1
Still have out of stock problems	1
Trade Aid Movement a message only known to a few but each year spread to a few more	1
Empowers trading partners; education =3; room to achieve more	1
Educational activities needs to be more clear and dynamic	1
Trade Aid Movement needs to attract younger volunteers	1
Recent campaigns to achieve increased sales can happen in a normal commercial environment; original aim is to challenge the issues of injustice related to trade	1
<b>Total Comments*</b>	<b>12</b>

\* A number of respondents gave more than one reason.

## **Suggestions for Increasing the Trade Aid Movement's Effectiveness**

More attention on publicity, and educational activities to raise New Zealanders' awareness and understanding of the Trade Aid Movement activities and objectives were the two primary suggestions made by volunteers, staff and board members, to help the Trade Aid Movement achieve its objectives more effectively:

By ensuring that every New Zealander knows about Trade Aid Movement and increasing the markets for the existing products and contacting groups awaiting help and markets for their goods.

Raise the public profile as an organisation concerned with issues behind trade.

More effective educational work within the Movement.

Volunteers also suggested increased training for volunteers; an increase in the number of Trade Aid shops which would result in an increase in sales; an increase in the number of trading partners; more government lobbying; with other similar type organisations and other ATOs. Comments also focused on the need for Trade Aid's trading partner's products to be both 'useable, useful, environmentally friendly and of the highest quality.'

Staff, board members and volunteers' one-off suggestions included: the need for improved management; technical and marketing skills for staff and volunteers; to recognise and understand fully what the Trade Aid's objectives are and what these objectives imply; an upgrading Trade Aid's image; selling trading partners' products more widely than the Trade Aid shop network; and better liaising between the Trade Aid warehouse and the Trade Aid shops.

A summary of suggestions on how to increase the Trade Aid Movement's effectiveness from volunteers, staff and board members is presented in Tables 4.17 and 4.18.

**Table 4.17: Volunteers' Suggested Improvements to Improve Trade Aid's Effectiveness**

<b>Base: (no. of volunteers responding)</b>	<b>Total 207 No.</b>	<b>Total 207 %</b>
<b>Volunteers' Suggested Improvements</b>		
<b>More Publicity</b>		
More and better publicity about the Trade Aid Movement and it's objectives and activities	68	33
<b>Raising Awareness of New Zealanders</b>		
More educational work to raise public awareness	41	20
More educational talks and seminars	19	9
More educational work at schools	6	3
<b>Role of the Volunteers</b>		
Train volunteers (eg. selling skills, handling the public)	11	5
Recruit more volunteers	8	4
Focus on recruiting young and hardworking volunteers	6	3
<b>Trade Aid Shops</b>		
Increase number of shops which will mean increase sales	17	8
Increase sales of trading partner's products	7	3
More sales outside the network of Trade Aid shops	3	1
<b>Lobbying</b>		
Working with other ATOs and other similar organisations	8	4
Lobbying government on fair trade issues	7	3

<b>Base: (no. of volunteers responding)</b>	<b>Total 207 No.</b>	<b>Total 207 %</b>
<b>Trade Aid's Trading Partners</b>		
Increase number of producer groups in different countries	14	7
Maintain regular contact and review effect on producer groups	4	2
<b>Trading Partners' Products</b>		
Ensure trading partners products are useable and useful	4	2
Ensure trading partners products are high quality	3	1
Ensure products are environmental friendly and promote sustainable development	2	1
Ensure tea and coffee and other goods are in constant supply	2	1
<b>National Promotions</b>		
More integrated and national advertising promotions	4	2
<b>Other Suggestions to Increase Effectiveness</b>		
Need more professional management/marketing skills	4	2
Maintain communication between different parts of Trade Aid Movement	2	1
Keep going as they are	12	6
<b>Other Comments**</b>	77	37
<b>Total Comments***</b>	<b>329</b>	<b>100</b>

\* *Eighty volunteers could not offer any suggestions.*

\*\* *One-off comments by volunteers included: 'enhancing marketing and management skills; more brighter shops; more promotional advice and closer contact with the warehouse staff.'*

\*\*\* *A number of respondents gave more than one reason.*

**Table 4.18: Staff and Board Members' Suggested Improvements to Improve Trade Aid's Effectiveness**

<b>Base: (no. of staff/board members responding)</b>	<b>Total 21 No.</b>
<b>Staff and Board Members' Suggested Improvements</b>	
Increase profile of the Trade Aid Movement	5
Increased media coverage of Trade Aid Movement activities	3
Better management and marketing techniques and more professionalism	3
Better targeted information on development education	2
Target young people about the Trade Aid Movement	2
Update Trade Aid Movement's image	2
Need more than one buyer purchasing goods	1
Need more than one liaison person dealing with co-ops	1
Warehouse needs to do a better job at liaising with shops	1
Better presentation of Trade Aid Movement shops	1
Traders Tales made to appeal to a wider audience	1
Selling products outside Trade Aid Movement more widely	1
Develop a local co-operative	1
Buying more of producer groups crafts	1
Giving volunteers a chance to learn about the causes of poverty	1
Increase the number of Trade Aid shops	1
A more unified image of shops	1
Improve selling skills, presentation and commitment to development education	1
Provide quality resources to other local groups like schools	1
Become progressive and dynamic	1
Need to increase awareness of issues behind unjust trade	1
By recognising what these aims imply and mobilising its resources	1
<b>Total Comments*</b>	<b>31</b>

\* *A number of respondents gave more than one reason.*

### **Summary of Findings: Perceptions of the Trade Aid Movement's success in Achieving Its Objectives?**

85 percent of the volunteers, staff and board members believed the Trade Aid Movement to be effective in achieving its objectives. The perceived positive impact the Trade Aid Movement has on its trading partners, the increasing number of Trade Aid shops and therefore increasing sales, the widening variety and improved quality of Trade Aid's partners' products, the increasing number of trading partners and the hardworking and low cost volunteers were all reasons given in support of their ratings.

The 15 percent of the volunteers, staff and board members who believed that Trade Aid was neither effective nor not effective or ineffective believed that the Trade Aid Movement needed a more effective publicity and educational campaign to raise the awareness and increase New Zealander's understanding about the Movement's objectives and activities as well as explain the causes and consequences of the existing unfair trading practices.

It is interesting to note that a higher proportion of staff and board members (36 percent) believed the Trade Aid Movement was not effective in achieving its objectives, compared to 14 percent of the volunteers. This difference could be explained by staff and board members greater understanding of the fair trade issues and their commitment to actively changing the unjust trading systems.

These results also indicate a potential conflict between staff and board members and volunteers of the Trade Aid Movement over their perceptions of Trade Aid's effectiveness in achieving its objectives. With diverging perceptions of how effective Trade Aid currently is in meeting the challenges of their objectives, diverging opinions could also exist or develop over how best to achieve its objectives and the future direction of the Trade Aid Movement.

Suggestions by volunteers, staff and board members to increase Trade Aid's effectiveness in achieving its objectives focused on more publicity and educational activities to raise New Zealanders awareness of understanding of the Trade Aid Movement's activities and objectives. Other suggestions included increasing the number of Trade Aid shops and therefore sales; increasing the number of trading partners as well as more training of Trade Aid volunteers.

It is interesting to note that a higher proportion of staff and board members (36 percent) believed the Trade Aid Movement was not effective in achieving its objectives, compared to 14 percent of the volunteers. This difference could be explained by staff and board members greater understanding of the fair trade issues and their commitment to actively changing the unjust trading systems.

## **Factors Which Will Help Shape the Trade Aid Movement in the Next Decade**

### **Introduction**

Having traced the growth and development of the Trade Aid Movement over the last twenty years and identifying what helped shape its origin, growth and development in Chapter Three, this section examines what issues volunteers, staff and board members believe will help shape the Trade Aid Movement in the next decade.

Volunteers, staff and board members were all asked what they believed to be the main issues which would influence the Trade Aid Movement in the next ten years.

### **Volunteers' Influences**

One quarter of the 177 volunteers who answered the question believed an increase in publicity and educational activities to raise New Zealanders awareness and understanding about Trade Aid's objectives and activities would be the main influence which will help shape the growth and development of the Trade Aid Movement.

One in five volunteers believed the state of the New Zealand and world economy would also have a major influence on the Trade Aid Movement. As one volunteer stated; "The New Zealander's buying power until the recession is over."

The growing awareness of the plight of the Third World and the need for the rest of the world to co-operate to solve global problems; and the rising demand for natural environmental friendly products were other influences identified by volunteers as helping shape the development and growth of the Trade Aid Movement.

### **Staff and Board Members' Influences**

Staff and board members mentioned the GATT trade talks, increasing competition from commercial retailers and Trade Aid's response to this threat, the state of the New Zealand economy, and the volunteers, staff and board members who manage the Trade Aid Movement as some of the influences which would help shape the Trade Aid Movement in the next ten years. The following is typical of the comments made:

The market and the economy. What steps we will have to take to survive commercially. How widely accepted the 'corporate' development idea will be and which parts of the Movement will go along with it. The people involved will be the main influence.

A full list of comments by volunteers, staff and board members is given in Tables 4.19 and 4.20.

**Table 4.19: Issues Identified by Volunteers Which Will Help Shape the Trade Aid Movement in the Next Ten Years**

Base: (no. of volunteers responding)	Total 177* No.	Total 177* %
<b>Volunteers' Identified Influences</b>		
More publicity and educational activities to raise awareness of the Trade Aid Movement amongst New Zealand public	45	20
New Zealand and the world economic climate	34	15
Growing awareness of the plight of the Third World	18	8
Growth in demand of environmental natural products	16	7
Growing awareness of global issues and the need for cooperation	11	5
Emphasise 'ATO' stance; fair trading practices and its benefits	10	4
Increase variety and quality and useful products	9	4
Need more dedicated; young; experienced and capable volunteers	9	4
Government stance on trade policies and licences	8	4
Increase up market and more friendly, well managed and modern shops	6	3
Increasing competition from mass production lines and commercial retailers	6	3
The GATT talks	5	2
Transport costs/taxes/exchange rates/internal costs	5	2
Increase in number of shops	4	2
Earth Summit	3	1
Need enthusiasm of people to help others	2	1
<b>Other Comments</b>	36	15
<b>Total Comment**</b>	227	100

\* 110 volunteers did not answer this question. Many thought they were unable to answer this question because of lack of information to make an informed decision.

\*\* A number of respondents gave more than one reason.

**Table 4.20: Issues Identified by Staff and Board Members Which Will Help Shape the Trade Aid Movement in the Next Ten Years**

Base: (no. staff and board members responding)	Total 21 No.
<b>Staff and Board Members' Identified Influences</b>	
The outcomes of the GATT talks	5
Increasing competition from commercial retailers	3
Modern technology	2
Growing awareness of global issues and the need for co-operation	2
State of the New Zealand economy	1
The New Zealand political climate	1
Need to improve our market share/reduce costs	1
Consumer awareness of Trade Aid Movement	1
Availability of volunteers	1
People involved will be the main influence	1
Sheer survival in the commercial world	1
Trade Aid Movement's image	1
Unwillingness to change; conservatism in the Trade Aid Movement	1
Must create a well managed and viable business	1
Needs change in structure to allow for faster decision-making	1
Needs to keep re-evaluating in its operation/aims/objectives	1
Ability to remain dynamic	1
Need to keep a high profile and maintain its reputation	1
Environmental and green issues offers a super opportunity	1
<b>Total Comments*</b>	<b>27</b>

\* *A number of respondents gave more than one reason.*

### **Summary of Findings: Factors Which Will Influence the Trade Aid Movement in the Next Decade**

According to volunteers, staff and board members the Trade Aid Movement should focus on more and more effective educational and publicity activities which are aimed at the New Zealand public to increase their awareness and understanding of the Trade Aid Movement objectives and activities. It was this, that volunteers perceived would have the most influence in shaping the Trade Aid Movement's growth and development in the next ten years. Other factors which would help shape the Trade Aid Movement included the state of the New Zealand and world economy and the growing awareness of the need to co-operate with other countries to solve global problems and the plight of the Third World.

Staff and board members identified numerous factors which they perceived would influence the growth and development of the Trade Aid Movement over the next decade. Their attention focused, however, on the following factors: the results of the GATT talks; the ability of the Trade Aid Movement to respond to increasing competition and the ability of Trade Aid to become a commercially viable business. Other factors identified by staff and board members included the New Zealand political and economic climate and the awareness and profile of the Trade Aid Movement amongst New Zealanders.

### **Chapter Summary**

This chapter has examined the Trade Aid Movement's volunteers, staff and board members' motivations, understanding and perceptions of the Trade Aid Movement.. The need or desire to do something useful and worthwhile like 'help the powerless, the poor and the underprivileged' people in the Third World with their 'available time and energy' are the primary motivators for volunteers to offer their support to the Trade Aid Movement. By selling their trading partners' products, through the network of the Trade

Aid shops, they (the volunteers) believe are helping Trade Aid Movement trading partners to achieve self sufficiency and a better standard of living and self sufficiency.

Staff and board members appeared to have a deeper commitment towards changing the unfair trading systems and perhaps a more comprehensive understanding of its causes and consequences. Some volunteers did show, with their on-going work with the Trade Aid Movement, an increasing understanding about trading injustices and their causes and a growing commitment to change them.

Volunteers, staff and board members showed a good understanding of the Trade Aid Movement's objectives and its role. The Trade Aid Movement was perceived to be an alternative trading structure which provides their producer groups a means to trade fairly, without the middleman and to receive a fair price for their products. The result of this is a rise in their trading partners standard of living and self esteem as well as helping them achieve self sufficiency. Informing and educating New Zealanders about trading injustices, their causes and consequences and the role of the Trade Aid Movement plays was also perceived to be one of Trade Aid Movement's primary activities by volunteers, staff and board members. However, volunteers did not appear to have a clear understanding of the sometime contradictory goals of the Trade Aid Movement particularly in relation to economic viability of the organisation. Nevertheless, the majority of volunteers, staff and board members (85 percent) perceived Trade Aid Movement to be effective in achieving its objectives. Feedback about the positive impact the Trade Aid Movement is having on its trading partners and the increasing sales of crafts and commodities were reasons often mentioned to support their opinions. The widening variety and quality of products, the increasing number of trading partners and the increasing awareness and understanding the New Zealand public about Trade Aid and existing trading injustices were also given as supporting evidence.

Those 15 percent of volunteers, staff and board members who believed Trade Aid was ineffective saw the need to spend more time and resources in raising the awareness and educating New Zealanders about the causes and consequences of the existing trading injustices and Trade Aid's objectives and activities. Presently this objective did not receive the necessary support or resources needed to achieve it. It is interesting to note that a higher proportion of staff and board members (36 percent) believed the Trade Aid Movement was not effective in achieving its objectives, compared to 14 percent of the volunteers. This difference could be explained by staff and board members greater understanding of the fair trade issues and their commitment to actively changing the unjust trading systems. These results also indicate a potential conflict between staff and board members and volunteers of the Trade Aid Movement over their perceptions of Trade Aid's effectiveness in achieving its objectives. With a range of perceptions of how effective Trade Aid currently is in meeting the challenges of their objectives, different opinions also exist over how best to achieve its objectives and the future direction of the Trade Aid Movement. Curiously, only one staff member mentioned anything about the Trade Aid Movement's role in actively working towards removing any trading injustices. Trade Aid Movement was rated as being ineffective in this respect.

Volunteers, board and staff members believe that the Trade Aid Movement should focus on more effective educational and publicity campaigns which are aimed at the New Zealand public to increase their awareness and understanding of the Trade Aid Movement objectives and activities. It was this that volunteers perceived would have the most influence in shaping the Trade Aid Movement's growth and development in the next ten years. Other factors which would help shape the Trade Aid Movement included the state of the New Zealand and world economy and the growing awareness of the need to co-operate with other countries to solve global problems and the plight of the Third World.

Staff and board members identified numerous factors which they perceived would influence the growth and development of the Trade Aid Movement over the next decade. Their

attention focused, however, on the following factors: the results of the GATT talks; the ability of the Trade Aid Movement to respond to increasing competition and the ability of Trade Aid to become a commercially viable business. Other factors identified by staff and board members included the New Zealand political and economic climate and the awareness and profile of the Trade Aid Movement amongst New Zealanders.

Despite the generally positive attitude of volunteers, staff and board members had about the Trade Aid Movement a clear understanding of the contradictions and tensions which exist within the Movement were not forthcoming Nor was it readily clear how the Movement should progress to meet its objectives over the coming decade. Undoubtedly, the Trade Aid Movement faces major challenges. It is to the meeting of the contradictions implicit in the goals of alternative trading organisations, such as that faced by the New Zealand Trade Aid Movement, that the final chapter will now turn.

## Chapter Five

### Conclusions and Recommendations

There is a legend in the Middle East about a spindly little sparrow lying on his back in the middle of the road. A horseman comes by, dismounts and asks the sparrow what he's doing lying upside down like that.

"I heard the heavens are going to fall today," said the sparrow.

"Oh," said the horseman, "and I suppose your spindly little legs can hold up the heavens."

"One does what one can," said the sparrow. "One does what one can!" (Wilson, M. 1976; p.13).

#### Introduction

The main goal of this research was to provide a study of an ATO to understand their origins, development and growth, and to identify their objectives, activities, operational and organisational structures, trading partners and products. To achieve this goal Chapter Two identified the main characteristics and development of ATOs generally. In Chapter Three, a specific ATO, the Trade Aid Movement in New Zealand was examined in greater detail, in particular focussing on its development and growth over the last twenty years; its present organisational and operational structure; its objectives, and its trading partners and their products. In Chapter Four the primary players within the Trade Aid Movement in New Zealand were identified; the volunteers at the Trade Aid shops; the staff and board members of

the Trade Aid (Importers) Ltd and Trade Aid (NZ) Inc and their motivations, comprehension and perceptions of the Trade Aid Movement were examined. Chapter Five will present a summary of the main findings of each of these previous chapters and examine the main implications they have for the Trade Aid Movement in New Zealand.

### **Primary Characteristics of Alternative Trading Organisations (ATOs)**

ATO is a general term applied to a variety of non-profit trading organisations which sell products from developing countries, with the basic aim that the producers themselves should benefit from the trade. These organisations are committed to working for justice in the international trading system. Most ATOs began as a response to the failure of the 1950s and early 1960s development strategies and the growing awareness of the continued poverty sustained by existing trading patterns, though some ATOs' origins can be traced back to the 1940s. Since their beginning, the number of ATOs has grown to more than 40 worldwide. They reach hundreds of producer organisations in a number of developing countries all over the world.

The trading partners of ATOs are mainly community based co-operatives which are organised for the benefit of individual member workers and the welfare of their communities. ATOs buy directly from their trading partners and avoid middlemen where possible. They aim to pay fair prices for the products. Other services offered by the ATOs to their trading partners include product design and development, technology, packaging, labelling and sales promotion.

Products such as food, utilitarian and decorative handcrafts, textile products and other goods are sold by ATOs through a number of various sales channels in 'developed' countries. These products are sold through Third World shops, exhibitions, trade fairs, campaigns, mail order

catalogues and volunteer sales people. Some ATOs, like the Dutch ATO Max Havelaar, sell their trading partners products in supermarkets. These ATOs believe if alternative trade is to be effective then their trading partners' products should be available to all consumers and not only through special Third World shop.

International and regional associations such as International Federation of Alternative Trade (IFAT) and European Fair Trade Association (EFTA), have been established to enable greater co-operation and communication among ATOs in working towards changing unfair international trading patterns. Informing and educating customers and the wider public about the causes and consequences of unjust trading patterns is another way in which ATOs play to help change existing unfair trading patterns.

### **The Trade Aid Movement in New Zealand**

The Trade Aid (NZ) Inc in New Zealand is a typical non-profit making ATO, importing and selling crafts and commodities from around 89 producer groups in 28 countries of the Third World. These handcrafts and commodities are sold through a network of 27 Trade Aid shops throughout New Zealand. These shops are independent charitable trusts, managed and staffed entirely by volunteers in the majority of cases. Importing and distribution is carried out from a warehouse in Christchurch operated by Trade Aid Importers Ltd. Together they form the Trade Aid Movement.

Like other ATOs, the Trade Aid Movement believes that the present international trading patterns are unjust and exploitative. The Movement believes that to change the present trading structure it should: trade fairly with the powerless and locate existing inequalities in current trading patterns; educate Trade Aid members and other New Zealanders about trading injustices and their causes; fight against trade injustices by working towards removing them

wherever they occur by establishing that there is a fairer way to trade; and establish real partnerships with producer groups to assist them in achieving self reliance.

The Trade Aid Movement tries to ensure that its trading partners are groups working co-operatively in some form of collective decision-making or profit sharing, with the aim of making improvements in their community as well as benefiting their individual members. Trading partners are typically people who are economically powerless and disadvantaged. Positive discrimination is used in favour of groups operated by or for women, or groups which attempt to revive or preserve their cultural heritage.

The trading partners are paid a 'fair' price for their products which is defined by what the producer thinks the goods are worth, not necessarily what they could be purchased for. The Trade Aid Movement prepays up to 50 percent of the cost of order so that its trading partners can purchase materials without incurring debt. The Trade Aid Movement also focuses on educational and lobbying activities to help raise the awareness and increase New Zealanders' understanding of the causes and consequences of the existing unjust international trading system. However, the inherent contradictions between the social and educational objectives of the Trade Aid Movement and the necessity of running an economically viable operation are often glossed over.

### **The Development and Growth of the Trade Aid Movement in New Zealand**

Over the last 20 years the New Zealand Trade Aid Movement has evolved through two stages and is now entering a third stage in its development - the competitive/market stage.

The first stage; can be termed the 'voluntary patronage' stage. It saw the establishment of the Trade Aid Movement by a group of individuals who shared similar beliefs and personal

philosophies based on sharing. Their aim was to do something to help the 'less fortunate' people of the Third World. Ten years on, in 1982, the Trade Aid Movement had witnessed the emergence and development of a network of Trade Aid shops. It had evolved from being a charity type organisation into an ATO which wanted to address and work towards changing the world's unjust trading systems.

The second stage which can be called the 'entitlement' stage witnessed further growth of the Trade Aid Movement in New Zealand. This stage is characterised by a number and size of government grants received by Trade Aid throughout 1982 - 1992 period. These grants enabled the Trade Aid Movement to develop by taking on more trading partners and experiment with new products. However, in the last two years the Trade Aid Movement has recognised and been concerned with the effects of the downturn in the New Zealand and world economies and the increasing competition from other commercial retailers upon the Movement. Indeed, the impact of these factors were seen when the Trade Aid Movement announced a trading loss of \$45, 000 in the last financial year to last June. ("Trade Aid in red for first time" The Evening Post, Monday; December 14, 1992).

In the first stage the Trade Aid Movement relied primarily on volunteers, and their need or desire to do something useful and worthwhile to help those who were less fortunate than themselves and upon their willingness to share their time and energy. The second stage of the Trade Aid Movement's growth relied again upon volunteers but also upon the generosity of government grants. In the 1990s, however, Trade Aid has to face new realities. First, they must realise they cannot rely on the traditional sources of support. Secondly, as they turn towards the market place for support, they will find numerous other non-profit organisations competing for diminishing resources for a host of other equally worthy causes.

The consequence is that one of the greatest challenges the Trade Aid Movement faces is competition. The Trade Aid Movement must not only learn to find new markets, it must learn how to target those markets carefully, position their offerings effectively vis-a-vis competitors and to manage and co-ordinate the Movement's resources to squeeze maximum impact from its limited resources while at the same time still being able to fulfill its social and educational objectives. It also must determine the basic direction the Movement will take over the forthcoming years. The first step in this process is to identify the Movement's overall mission, understand fully the socio-economic environment in which they are operating, identify appropriate and manageable goals and to understand the nature of its organisational culture.

### **The Trade Aid Movement's Objectives**

The Trade Aid Movement's objectives set out explicitly what it is trying to achieve: to trade fairly and justly with the economically powerless, to help them achieve self-reliance. It is the poor and the powerless that Trade Aid is trying to help by providing them with a market outlet for their products. It also aims to inform people about development issues related to trade, and work towards removing trading injustices wherever they occurred by establishing that there is a fairer way to trade. Trade Aid has also identified itself as an agent for change, exerting pressure on government to change trading policies and practices. The Trade Aid Movement must ask themselves if these objectives are necessarily complimentary and decide how Trade Aid could best achieve them.

The history of the Trade Aid Movement, which was examined in Chapter Three, suggested they have consistently placed and promoted Trade Aid values as opposed to promoting sales of their trading partners' products:

We believe that we operate differently from normal commercial importers in that we put more emphasis on the needs and problems of the suppliers than on the commercial success of our organisation. As far as we can, we aim to help our suppliers in the ways that they indicate will be useful, such as the diversification of products, increased understanding of the New Zealand market, and where possible, introductions to further markets. In order to assist them in their growth we often pay for goods in advance and we are prepared to deal with suppliers who are small and inexperienced in exporting. (Trade Aid (NZ) Inc. 1978; D).

Trade Aid's approach has been to focus on the goal of supporting "Third World co-operatives and self-help groups" rather than on its own commercial success. This desire to promote its values is based on two beliefs: (i) the belief in the importance of these values and (ii) that the Trade Aid Movement will achieve their objectives more effectively if more people share and support their views. The Trade Aid Movement has in the past been guilty of being in 'in love with their objectives'. They believe very strongly in their objectives, activities and results, and that New Zealanders would beat a path to their doorway to support them.

But as a results of the changing economic climate and increasing competition, the Trade Aid Movement is moving towards building a more commercial/marketing orientated organisation which focused on increasing sales to achieve their objectives: "The success of their income generating programmes must depend on the successful sale of goods and we understand clearly our obligation to find more markets and to present goods for sale to their best advantage." (Trade Aid (NZ) Inc. 1992; P).

The Trade Aid Movement needs to maximise sales not only to provide income for their "Third World co-operatives and self-help groups" but also for their own economic viability, expansion and development in New Zealand. (Trade Aid (NZ) Inc. 1992; P). As the newspaper article in

the Evening Post reported on the Monday, December 14, 1992: "The loss was narrow, but so was last year's profit considering Trade Aid's capital base of \$800,000." (p.22).

Measures have already been initiated to create a uniform image for all Trade Aid shops, increase staff training and improve promotion of the organisation and its products. A Marketing Committee has been proposed, along with three key positions in the areas of liaison, marketing and media. By undertaking this the Trade Aid Movement believes "By adopting this more marketing oriented approach, Trade Aid expects to be able to serve its producer partners more effectively." (Anderson, G. Ballentyne, M. Crawford, G. Hollebhone, W. and McCarthy, T. 1992; p.3.). A market research report completed in 1992 supported this view: "...it is recommended that the Trade Aid Movement shops adopt a more commercial orientation towards its retailing network...A commercial oriented approach will provide the Trade Aid Movement with a greater ability to compete more effectively..."(Marker, J; Suwanawihok, A. 1992; p.3).

This selling orientation is persuasive for those who are concerned with the economic viability of the Trade Aid Movement. It appears Trade Aid believes the Movement can achieve its objectives more effectively if they can substantially increase the size of their sales and market by increasing their selling efforts. This will mean expanding beyond the Trade Aid shops sales outlets. These sales orientated steps will undoubtedly work in the short run but there is no indication that the Trade Aid Movement is moving into a marketing orientation that would generate higher sales in the longer term. This requires the Trade Aid Movement to move beyond putting its trading partners at the centre of the process. The Trade Aid Movement must realise that it is the customer, the New Zealand public, who will determine Trade Aid's long term success and its ability to effectively achieve its objectives. By contrast a customer-centred strategy should begin with the New Zealand public and their needs and wants. Part of this process includes increasing the awareness and the understanding of New Zealanders about

Trade Aid's objectives and activities. This was supported by volunteers, in particular, and staff and board members in the research findings presented in Chapter Four. As the Chairman of Trade Aid (NZ) Inc said in the 1990 Annual Report:

We must promote more effectively the reasons why people prefer to shop at Trade Aid. The purchase of a handcraft made in a developing country does not necessarily bring benefit to the producer of that craft. The purchase of a product in a Trade Aid shop does mean that the person who made it received a fair price for their work, which is the Trade Aid message at its most basic level. (Trade Aid (NZ) Inc. 1991; O).

This emphasis on a sales orientation to solve Trade Aid's problems, however, is a concern amongst a number of volunteers; staff and board members. Furthermore, many of the volunteers who advocate a greater market orientation do not recognise the impact that such a stance would have for the achievement of the organisation's social and educational objectives and the negative effects that this would have on some trading partners. Many members believe that the shift towards an increasing sales orientation would mean Trade Aid's objectives of educating the New Zealand public about the Trade Aid Movement and working towards removing existing trading injustices, will become, as it is already, of secondary importance. The question to ask is can the Trade Aid Movement rely on sales as a way of achieving its goals? Or does this mean actions taken to maximise income mean undermining efforts to inform New Zealanders about development issues related to trade? As one staff/board member said: "Or can it regenerate the original fire in its belly in the search for a better world where resources are more equitably shared?" (Staff/Board Member)

The conflict between objectives is also mirrored in every day operations: "At the same time we must constantly bear in mind the requirements of smaller groups working in more difficult circumstances and those for whom exporting is totally new. There is an ever present danger of

concentrating on very saleable goods made by large and more efficient groups and ignoring others." (Trade Aid (NZ) Inc. 1987; K).

Whatever it decides, the Trade Aid Movement must arrive at a clear understanding of what their role is, where their responsibilities lie and how to manage the organisational resources effectively to achieve their objectives. This might mean the Trade Aid Movement has to settle for being a 'comfortable charitable business' which helps the economically powerless of the Third World to achieve self-reliance rather than being a Movement focused on changing trading injustices and their causes.

### **The Trade Aid Movement's Volunteers**

The Trade Aid Movement relies primarily on volunteers to carry out the education work on trading issues and to provide a base for any kind of political lobbying on trade issues. Trade Aid (Importers) Ltd also relies on the volunteers to manage the Trade Aid shops and to sell the handcrafts and commodities.

The research findings outlined in Chapter Four demonstrate that volunteers have a good understanding and knowledge of Trade Aid's objectives and activities and they also showed strong support and belief in 'spreading the word' about the causes and consequences of existing trading injustices and about the Trade Aid Movement's objectives to the New Zealand public. There was a general belief amongst volunteers, and some staff and board members, that improved educational and publicity activities would increase Trade Aid's effectiveness in achieving its objectives as well as being the main factor which will influence the growth and development of the Trade Aid Movement in the coming decade.

The Massey marketing study however showed a low awareness amongst the New Zealand public about the Trade Aid Movement's objectives and activities. (Anderson, G; Ballentyne, G; Hollebone, W; and McCarthy, T. 1992; p.1.). This research is supported by comments, by volunteers, staff and board members: "More knowledge brought to the public. It is surprising how many of the public don't know what we are all about from talking to them in the shop."  
(Volunteer)

The Trade Aid Movement must evaluate its current educational and publicity activities and ask themselves, among other things, whether volunteers are the most appropriate communicating channel for achieving this objective. The survey findings show the majority of volunteers are over sixty and retired. Their desire and need to do something useful and worthwhile for the 'powerless' and the 'underprivileged' people in the Third World is the primary motivator for their involvement in the Trade Aid Movement. As one staff member pointed out: "The middle-aged to elderly members are unlikely to become regular activists."

This desire or need to do something worthwhile for the 'poor and underprivileged people of the Third World' is achieved for them by working a certain number of hours a week at the Trade Aid shop. Other motivating factors identified in the research finding, such as volunteers' desire to meet people and companionship needs, are met by working with other volunteers at the Trade Aid shop. There appeared to be little motivation or willingness or, in reality, the time to effectively undertake an educational and publicity campaign. As one volunteer said: "We are so busy running and managing the shop, there is little time and energy left to put into the educational objective." Another volunteer expressed:

The Trade Aid Movement depends mainly on the enthusiasm, energy and time available for its volunteers. How to attract and keep these volunteers and how to

enthusiasm and inform them is a problem. Some faithful and regular volunteers only do their shop shifts but do not come to informative volunteers' meetings or socials...

The majority of volunteers are not driven by the need to become more actively involved in changing structural conditions that cause poverty and oppression in the Third World. Other volunteers may very much want to but lack the ability to do something. The Trade Aid Movement needs to distinguish between a volunteer's motivations, needs and expectations and that person's ability and will to do something.

The Trade Aid Movement therefore needs to achieve a greater understanding of its volunteer's motivations and abilities and become a more effective manager of this resource. As one volunteer very aptly pointed out: "The Trade Aid Movement is people. The calibre of the volunteers the Movement attracts will make or break the effectiveness of the Movement..." Where would Trade Aid be, or perhaps more importantly where would Trade Aid's trading partners be, without the great wealth and goodwill of New Zealand volunteers?

### **The Effectiveness of the Trade Aid Movement**

85 percent or 213 survey respondents of 298 volunteers, staff and board members believed that Trade Aid was effective in achieving its objectives. These observations were based on Trade Aid (Importers) Ltd positive feedback reports on the effects of Trade Aid's activities on their trading partners. However, the Trade Aid Movement has not undertaken any objective assessment of its effectiveness and how it is currently meeting the challenges of its objectives. The Trade Aid Movement is not evaluating its effectiveness in meeting its stated goals and objectives. Questions which must be answered if Trade Aid is to respond to the business environment of the 1990s include: Are they developing true partnerships with their trading partners? Is the partnership non-exploitative and mutually beneficial to both parties?

Does it involve sharing of decision-making and power? Does the Trade Aid Movement assist self-reliance development by helping their trading partners to develop export trade? Has Trade Aid established trading relationships which are fair and non-exploitative? Are they successfully educating New Zealanders and themselves about trading injustices and their causes? Have they been successful in establishing there is a fairer way to trade and in removing existing trading injustices?

### **Concluding Comments**

The Trade Aid Movement in New Zealand face a range of difficult challenges, issues and decisions. In particular this study has highlighted the inherent contradictions between the Movement's educational and social objectives in promoting 'fair' trade and economic viability of the Movement. Indeed, in some circumstances the Movement replicates the activities of the very trading organisations for which it is attempting to provide an alternative. Whether it be for a multi-national company or an alternative trading organisation the consumer is still king. Some of the ideas suggested here need to be assessed in the light of the Trade Aid Movement's own assessment of their effectiveness. To achieve it's stated objectives the Trade Aid Movement needs to review its philosophy, objectives and their organisational and operational structures. At the moment it feels the Trade Aid Movement does what it can. But is it the most effective way of achieving its goals?

The decisions and choices the Trade Aid Movement makes now will have a huge impact on the growth and development of the Trade Aid Movement in the next ten years. Whether or not they will achieve their stated objectives of promoting sustainable development for their trading partners by establishing fair trade and to work actively towards removing these injustices more effectively, remains to be seen.

# **APPENDIX A**

Dear Trade Aid Committee,

You probably have already received a letter from Dennis Small last week giving you some background information to this survey.

This survey is part of an independent research study which is being undertaken by a post graduate student at Massey University. The research traces the development and profiles the Trade Aid Movement since 1972. Part of the research includes questionnaires which are aimed to collect staff and volunteers' perceptions and opinions about the Trade Aid Movement.

The questionnaires are enclosed. Could you please hand out one questionnaire to all staff and volunteers. All questionnaires are confidential. There is no need to put your names or addresses on them. The information will be collated in such a way that no individual or an individual shop will be identified.

I have also enclosed an Information Sheet, for each shop to be completed by a committee member or a shop manager. Could you also send this back to the same address as you return the questionnaires too.

The completed questionnaires should be returned to Dr. Colin Michael Hall, Trade Aid Study, Dept. of Management Systems, Massey University, Palmerston North. Questionnaires can be sent back together in one envelope or if an individual wishes s/he can send their questionnaire back separately.

Could we please have the questionnaires in by 21 August 1992 at the latest.

If there are insufficient questionnaires sent to your shop to include all staff and volunteers or you have any questions please contact Ingrid van Aalst ph. [REDACTED] during the day.

Thank you for your time and co-operation in this exercise. It is most appreciated.

Regards

Ingrid van Aalst.

Trade Aid Shops

27 th August 1992.

Dear Trade Aid Movement,

Just a quick letter to thank everybody who participated in the Trade Aid Survey. Your co-operation and effort is most appreciated. Now I have the envious task of collating and analysing and writing about all the answers!

If you haven't returned your questionnaires to Dr. Colin Michael Hall yet you still can. We would appreciate if you could return the questionnaires as soon possible.

Thank you for your co-operation in this exercise.

Regards

Ingrid van Aalst.

Researcher  
Department of Management Systems  
Massey University  
Palmerston North.

**TRADE AID STAFF AND VOLUNTEER QUESTIONNAIRE**

The aim of this survey is to gather your opinions and knowledge of the Trade Aid Movement. The information collected will be part of a year long independent research project undertaken on the Trade Aid Movement in New Zealand. Your response is purely confidential and the information collected will be collated in such a way that you will not be individually identified. The first section is about you and your role in the Trade Aid Movement and the second section is about the Trade Aid Movement itself.

**Section One**

Q1) How did you first hear about the Trade Aid Movement? (Please tick)

- I knew a volunteer
- Through a friend workmate
- Through a local group ( please specify which one)
- .....
- Knew some one who worked for Trade Aid
- Articles in the paper/magazines
- Saw a Trade Aid shop and worked in
- Other (please specify).....

Q2a) Are you a paid worker or a volunteer? (Please tick)

- \*Paid worker
- \* Volunteer
- \*Other (please specify).....

Q2b) Other than being a paid staff member or volunteer what other roles, if any, do you have within the Trade Aid Movement? For example are you a Trade Aid speaker; a committee member; a shop representative; a Trade Aid Forum committee member? Please specify.

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Q3a) How many hours do you work a week at your local Trade Aid Shop?

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Q3b) How many hours do you work a week for Trade Aid Movement outside the shop hours? eg. as a Trade Aid Committee Member; a Trade Aid Speaker at local groups etc

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**Q4) Thinking back to your first involvement in the Trade Aid Movement. Why did you first become involved? (Please comment)**

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**Q5) What are your reasons for you being involved in the Trade Aid Movement now? (Please comment)**

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**Q6) What do you think you are achieving by your involvement in the Trade Aid Movement? (Please comment)**

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**Q7) If someone asked you to describe Trade Aid's activities how would you describe them? (Please comment)**

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**Q8) What do you understand to be the objectives/aims of the Trade Aid Movement? (Please comment)**

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Q9) How do you think Trade Aid Movement achieves these objectives? (Please comment)

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Q10a) Overall how effective do you perceive the Trade Aid Movement is in achieving these objectives where 5= very effective; 4=effective; 3= neither effective nor not effective; 2=not very effective and 1=not at all effective? (Please place your rating in the box)

Q10b) What are your reasons for your ratings? (Please comment)

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Q11) In what ways can the Trade Aid Movement become more effective in achieving these objectives? (Please comment)

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**SECTION TWO**

Q1) What do you consider has been the major influences in the development of the Trade Aid Movement in the last ten years? (Please comment)

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Q2) What will be the major influences which will influence the Trade Aid Movement in the next ten years? (Please comment)

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Q3)What do you consider has been the major influences in the development of the Trade Aid Movement in the last ten years? (Please comment)

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Q4) What will be the major influences which will influence the Trade Aid Shops in the next ten years? (Please comment)

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Q5) Are there any other comments you would like to make about the Trade Aid Movement?

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**Classification**

Now I would like to get some information about you. These details are collected to ensure we get a cross section of staff and volunteers. All responses are collated in such a way that no individual will be individually identified. All responses are confidential. Please tick the appropriate box unless otherwise stated.

Sex:

Male:

Female:

To which age group do you belong?

15-20 years

21-30 years

31-40 years

41-50 years

51-60 years

Over 60 years

Occupation: Please specify.

.....

Which of the following groups do you belong to?

Greenpeace

CORSO

Church Group (please specify which one/s)

.....

Community groups (please specify which one/s)

.....

Other groups (please specify which one/s)

.....

Area:

Please specify which town/city your local Trade Aid shop is in:

.....

Thank you very much for your time and co-operation on this project. Please ensure that all questions are answered before returning to Dr. Colin Michael Hall, Trade Aid Study, Management Studies Systems, Massey University, Palmerston North by 21 August 1992 at the latest.

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