



Drawing a Bead on Artisans' Incomes

For-profit World of Good gets crafty about building fair trade relationships in Asia, Africa and Latin America, encouraging cooperation and partnerships

By Leah Dobkin

Christopher Sandifolo takes old coat hangers, tin cans and whatever metal he can scrounge to create street-wire art, a South African crafts tradition that lives on through a co-op, appropriately named Streetwires.

In a country with a formidable unemployment rate, Streetwires provides training and support to formerly unemployed men and women who earn a living wage through this unique art form.

It's an art form that's won some fans a few continents away in Berkeley, Calif. There, Streetwires has partnered with World of Good, a for-profit company that's created an economic bridge between U.S. consumers and 142 small, artisan co-ops in 34 countries from Asia to Africa and Latin America. World of Good is trying to build a fair trade crafts movement, although Fair Trade certification today is limited to agricultural products.

Priya Haji and Siddarth Sanghvi, two friends who graduated from the University of California Berkeley Business School, started World of Good in 2004. Haji says she used all of her savings, about \$15,000, to start the business soon after she graduated. And, in one year, the 12-employee company was in the black with revenues of \$400,000.

Since then, the business has grown to 43 employees, and the company says its sales grew 400 percent sales last year. And World of Good forecasts that by 2009, its annual revenues will exceed \$57 million.

And, that's good news for Sandifolo in South Africa.

"I only started appreciating computers when I started learning how to use them after the [World of Good] donation," Sandifolo says. "I can now check my email and I have also subscribed for art and craft articles. I've moved from being an ordinary man in the wire and bead industry into an up-and-coming craft designer."

That donation was possible because World of Good allocates 10 percent of its profits to a sister entity, the nonprofit World of Good Development Organization. These funds go to the artisans' villages for the construction of schools and health clinics. Last year, the WGDO provided funds to build two wells in a Kenyan village, where potable water was an almost three-hour walk away.

World of Good sells products through Worldofgood.com and has relationships with 1,500 stores, including Whole Foods, Wild Oats Markets and Barnes & Noble. Each store has its own customized kiosk featuring fair trade products, which sell at around a 100 percent mark-up.

"People would love to buy fair trade products but it's not easy to find or to discern if it is a fair trade product on the shelf," Haji says. "Our goal is to enable consumers to buy fair trade products where they normally shop."

The company is growing its retail channel, and increasing existing in-store sales through improved merchandising and promotions. For example, in June World of Good offered a sweepstakes on its website and in stores for customers to win a trip to go visit artisans in Thailand.

Haji believes the most significant challenges faced by third world artisans are access to reliable markets and the ability to negotiate fair prices.

Understanding your customers also is vital. For example, Guatemalan artisans produced beautifully embroidered, colorful bags, but the bags had too much color for the U.S. market. World of Good product designers told the women artisans there that their bags were gorgeous, but instead of embroidering the entire bag, perhaps they could embroider one stripe and use another fabric on the other side. This feedback

saved the artisans time, reduced costs, and increased their income because American women did prefer the toned-down bags.

World of Good is turning typical business models, where negotiations are geared to get producers to lower their prices, upside down. Instead, World of Good focuses on helping artisans increase their income, promote cooperation and partnerships, and stimulate more fair trade instead of competing against one another.

“In a way, the fair trade industry applies new constraints to businesses,” Haji says. “Businesses already work within constraints like capital, environmental managing and governmental compliance. Fair trade applies a humanitarian constraint to our work. We are a company that offers the consumer an opportunity to act in a humanitarian way, similar to when consumers have new environmental product choices. We are complying with a voluntary constraint and receiving so many business benefits, such as customer loyalty, decreased acquisition costs, employee retention and increased brand strength.”

Haji adds: “Everyday, I feel lucky to have the opportunity to work together with artisans, retail stores and consumers to build a new vision of commerce, where the products themselves are the source of good things in the world.”

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