

## Pricing fair trade products to include unpaid labour and empower women – the example of Nicaraguan sesame and coffee cooperatives

CATHERINE HOSKYNs\*  
NICHOLAS HOSKYNs\*  
FELICITY BUTLER\*

Hoskyns, C., Hoskyns, N., Butler, F., 2012. Pricing fair trade products to include unpaid labour and empower women – the example of Nicaraguan sesame and coffee cooperatives. *Oñati Socio-legal Series* [online], 2 (2), 24-35. Available from: <http://ssrn.com/abstract=2034322>

### Abstract

The paper discusses an initiative taking place in two cooperatives in Nicaragua. This involves the incorporation of a component for women's unpaid work into the cost structures of Fair Trade contracts for coffee and sesame. The argument is that the unpaid work which is done mainly by women in the household and community represents an important input into production and one which should be valued and remunerated. Its recognition can both empower women and provide a fresh demonstration of the power of the cooperatives and Fair Trade in innovating so as to improve the conditions of disadvantaged people in their supply chains.

The funding which has now been in place for two years has led to a number of very different projects for women. The involvement has spread not only to women doing unpaid work but also to women in low paid and marginalised jobs within the cooperatives. In particular, this raises the question of to whom the money allocated under this scheme should be paid, and whether it should primarily be used for collective or individual projects. This is an innovative development with the power fundamentally to change gender relations and empower women. It is significant that it is being pioneered in a poor country in the South rather than in the rich North.

---

Article presented at the Conference on The Social Economy. Corporate Responsibility, Private Property & Partnerships. Workers' Rights and Cooperatives, held at the International Institute for the Sociology of Law, Oñati, Spain, and as part of the Summer Courses Programme of the UPV/EHU, 6-8 July 2011.

\* Catherine Hoskyns is Professor Emerita in European Studies and Gender Politics at Coventry University, UK. She is also a Visiting Fellow at the Centre for the Study of Globalisation and Regionalisation (CSGR) in the University of Warwick. She is the author of *Integrating Gender – Women, Law and Politics in the European Union* (Verso, 1996) and is currently researching the gender aspects of trade policy. 6 Willes Terrace, Leamington Spa CV31 1DL. UK 01926 429600. [c.hoskyns@coventry.ac.uk](mailto:c.hoskyns@coventry.ac.uk)

\* Nicholas Hoskyns is a British-born campaigner who has been living and working in Nicaragua for the past two decades. He has been involved in founding and developing small farmer cooperatives and associations who were the initial innovators of Fair Trade. More recently he has been working with ALBA (the Bolivarian Alliance for the Americas). He is Director of the Social Business Network (SBN) and the Managing Director of Etico, The Ethical Trading Company Ltd. 25 Hamilton Gardens, London, NW8 9PU. United Kingdom. [nhoskyns@turbonett.com.ni](mailto:nhoskyns@turbonett.com.ni)

\* Felicity Butler is currently a postgraduate student at Royal Holloway University researching the unpaid work of women in supply chains. Her studies are funded by the ESRC and the Body Shop. She has extensive experience in Fair trade and Latin America, and she has strong ties with Nicaragua and continues to support ETICO in its work with gender. Department of Geography. Royal Holloway University of London. Egham. Surrey TW20 0EX, United Kingdom. [felicity.butler@gmail.com](mailto:felicity.butler@gmail.com)

**Key words**

Women; unpaid work; cooperatives; coffee; sesame oil; empowerment; Fair Trade; ETICO; Body Shop International

**Resumen**

Este artículo analiza una iniciativa que tiene lugar en dos cooperativas de Nicaragua. Se incorpora al estudio el componente del trabajo no remunerado de las mujeres en el coste de las estructuras del comercio justo con contratos para el café y el sésamo. El argumento que se esgrime es que el trabajo no remunerado realizado principalmente por mujeres en el ámbito doméstico y de la comunidad representa un aporte importante a la producción, que se debe valorar y remunerar. Su reconocimiento puede invertir de poder a las mujeres y demostrar el poder de las cooperativas y el comercio justo para innovar y mejorar las condiciones de personas desfavorecidas en las cadenas de producción y distribución.

La financiación que se ha desarrollado durante dos años ha dado lugar a diversos proyectos orientados a las mujeres. La participación se ha extendido no sólo a las mujeres que realizan trabajo no remunerado, sino también a las mujeres con empleos mal pagados y marginales dentro de las cooperativas. En particular, se cuestiona a quién se debe pagar el dinero generado bajo este esquema, y si debiera utilizar principalmente para desarrollar proyectos individuales o colectivos. Este es un desarrollo innovador que pretende modificar a fondo las relaciones de género y el poder de las mujeres. Es significativo que se está llevando a cabo por vez primera en un país pobre del sur y no en uno rico del norte.

**Palabras clave**

Mujeres; trabajo no remunerado; cooperativas; café; aceite de sésamo; comercio justo; ETICO; Body Shop International

**Table of contents**

1. Introduction.....	27
2. Cooperatives in Nicaragua.....	27
3. ETICO, the CJFPS and Body Shop International.....	28
4. Soppexcca and coffee.....	30
5. How the money is used – CJFPS .....	31
6. How the money is used – Soppexcca .....	32
7. Analysis and issues .....	33
Bibliography .....	35

## 1. Introduction

The aim of this paper is to consider both the practical political and the theoretical implications of an initiative taking place in two Nicaraguan cooperatives. This involves the inclusion of a component for women's unpaid work into the cost structures of Fair Trade contracts for sesame and coffee. The theoretical argument is that the unpaid work which is done mainly by women in the household and community represents an important input into production (it is in effect a subsidy) and one which should be valued and remunerated. The practical political argument is that this recognition can empower women and also provides a fresh demonstration of the ability of cooperatives and the Fair Trade movement to innovate in order to improve the position of disadvantaged people in global supply chains. In practice, however, as this example suggests there may be a contradiction between directly benefitting (empowering) individual women and generating systemic change (Parpart et al. 2002).

The issue of the role and significance of unpaid domestic and other work has a long history in feminist and Marxist theory, from Engel's study of the household (1884) to the debate in the UK about wages for housework in the 1970s (James and Dalla Costa 1972). In those days the idea of paying for unpaid work was controversial among feminists because it was feared that it might on the one hand trap women in the housewife role or on the other diminish the special significance of caring work by equating it with production (Breugel 1976). More recently feminists and others have done substantial work analysing and characterising unpaid work and using time use surveys (particularly in Africa and Latin America) to demonstrate its extent (Hoskyns and Rai 2007; Esquivel et al. 2008). In Europe these debates have been subsumed into state driven policies to include women in the workforce, resulting in more concern with childcare in order to facilitate labour market participation. The profound and systemic relation between paid and unpaid work has, however, been largely ignored (Picchio 1992). As the recent Agenda for Change<sup>1</sup> document points out, encouraging women into paid employment or towards setting up their own businesses without tackling or being aware of the systemic constraints that push women into marginal and precarious positions, is a very partial form of empowerment. We prefer the definition in the same document that empowerment of women requires a people centred economy and happens when 'individuals and organised groups are able to imagine their world differently and to realise that vision by changing the relations of power that have limited their capacity to enjoy a good life' (Fontana 2009). Recent research shows that such a vision for women has not always been central in Fair Trade initiatives and that too often traditional and stereotypical views of what women should do have prevailed (Hutchens 2010).

The Nicaraguan initiatives aim to foreground the intricate link between paid and unpaid work and base policy upon it. We shall start by analysing how this development came about and the roles of different actors in shaping the projects. We shall then examine as far as is possible the effects of these moves, their sustainability in the long term and how they might be evaluated.

## 2. Cooperatives in Nicaragua

The cooperative movement in Nicaragua is large, successful and dynamic. There are over 3,000 fully legal and functioning cooperatives in different sectors, including services (such as transport) as well as agro-industry. Within this movement there is a generation of cooperatives that started during the 1990s. Many of the leaders of these were active participants in the Revolution and saw the urgent need for cooperatives after the Sandinistas lost power in the elections of 1990. From the

---

<sup>1</sup> The Agenda for Change group was set up in 2007 and managed by the Pathways of Women's Empowerment network. The project was funded by the UK Department for International Development (DFID), together with the Ministries of Foreign Affairs in Norway and Sweden, and UNIFEM.

beginning, these cooperatives have challenged conventional systems, defending small farmers who were the product of the agrarian land reforms of the 1980s (Haslam and Hoskyns 2011). They have pioneered both selling through Fair Trade channels, and organic production. Many of these cooperatives are successful examples of how Fair Trade can facilitate the true empowerment of small farmers.

It is within this context that the issue of the unpaid work of women was introduced in the two cooperatives which we are dealing with in this article. Both cooperatives have dynamic socially motivated leaders who are practiced in effecting change. It is notable that in Nicaragua the cooperatives attract such individuals - providing space for potential leaders to gain the trust of the members and then organize and innovate. The idea of paying for unpaid work as a way of advantaging women came from outside, but these leaders and the women involved quickly saw the benefits of such a proposal and were able to implement it.

### 3. ETICO, the CJFPS and Body Shop International

The move to incorporate unpaid work in the costs of production has its origins in the work of ETICO (the Ethical Trading Company) which since 2004 has been working with Nicaraguan cooperatives to develop and facilitate Fair Trade contracts.<sup>2</sup> In 2005, it was agreed that ETICO needed a policy on gender to guide future developments. When drafted, this made a commitment to empower women and draw on the dynamism of women to strengthen the cooperative movement. The policy also recognised the importance of the unpaid work that women do (ETICO 2010). The idea of including a component for unpaid work in the costs of Fair Trade production came initially from researchers working with ETICO.

Around the same time, the *Cooperativa Juan Francisco Paz Silva (CJFPS)* in Achuapa, Nicaragua, was also adopting a policy on gender, seeing on the one hand that women were disadvantaged within the cooperative movement and on the other that addressing their needs could have a mobilising effect on the cooperative as a whole.

The CJFPS is the major business in Achuapa, a small rural municipality in Leon, Nicaragua. It has now grown to 272 farmer members providing them with diverse services such as the marketing of their produce, savings and finance facilities, a rural shop, a model farm, an acupuncture clinic, and an educational centre. The cooperative also runs many social and cultural activities for the members and their communities. The cooperative has a general assembly of members who elect a President (currently, Brigido Soza) a board and a fiscal committee. The board then appoints a General Manager (currently, Juan Bravo Reyes) and staff who run the day to day business.

CJFPS exports on average 70 tons a year of Fair and Community Trade sesame seed and oil. It has an ongoing trading relationship with Body Shop International (BSI) to which it is the sole supplier of Community Trade sesame oil. Unusually for contracts of this kind, BSI contracts are based on an initial assessment of the costs of production by the producers. The assessment done in 1998 as a basis for negotiation, listed costs under: preparation of soil, sowing, harvesting and 'inputs'. The inputs included seeds, fertilisers and transport. This assessment measured and valued the 'man-days worked' (*días/hombres*). Under this assessment the total cost of producing a bag (*quintal*) of sesame seeds was \$21.84. There are eight to ten bags per *manzana* (0.7 of a hectare) giving a production cost per *manzana* of approximately \$196. No mention was made here of domestic work as an input, though BSI representatives would very likely have argued that family needs were fully taken into account in the final price, which incorporates a social premium.

---

<sup>2</sup> ETICO was set up in 2004 and was born out of the work of Nicaraguan cooperatives, enabling them to have a trading arm based in the global North. It has played a major role in Nicaragua in helping to market production from the cooperatives mainly through Fair Trade channels.

The contract with BSI was renegotiated in 2008. At this point, CJFPS had to make a new estimate of costs. Two years earlier a small scoping exercise had taken place to measure the unpaid work being done in a typical farmer household. Sesame has a six to seven month product cycle. The soil and fields are prepared in July/August, planting takes place in August/September and the seed is harvested in December/January. Work in the fields is carried out mainly by men. In the slack period the farms will turn to vegetable production and animal rearing. The scoping exercise showed six to eight hours of unpaid work being undertaken per day, depending upon definition. This seemed to be fairly consistent across the year, although the balance of tasks changed. The main activities were:

- grinding maize and making tortillas,
- fetching water and fuel,
- milking cows and making cheese,
- preparing, serving and clearing away meals
- doing laundry
- growing and preparing vegetables
- caring for small livestock
- caring for children and the elderly (these were for the most part 'passive, simultaneous activities' carried on throughout the day).

The time of renegotiation was during a period of rising prices for sesame. BSI thus understood that they would have to pay more. When the new costing was being considered, the cooperative managers decided to include under 'inputs' a figure for the unpaid work of women which contributed to production. The calculation made then gave the equivalent of 12 days a year per *manzana* for women's unpaid work, additional to the 43 days required for conventional sesame and the 47 days for organic sesame. These 12 days were valued using the going rate for rural male manual labour of 80 córdobas a day. This gave an extra 960 córdobas (approximately \$50) per *manzana* due to women's work.

This calculation was accepted by the BSI buyers to the extent that in correspondence during the negotiations they stated that 'We must ensure that family labour is included in these calculations at the normal wage rate paid for the relevant activities, even if the person is not actually paid in cash.' However, they also asked for a justification for the amount charged for what was now renamed 'support labour costs'. In particular, they wanted to make a distinction among the tasks listed in the scoping exercise, between those where a substantial part of the labour involved could be seen as directly supporting the cash crop production (roughly the first five in the list given above) and those whose effect was more indirect in that it involved activity which expanded the family as an economic unit, and supplied more general caring activities. A detailed justification was prepared by the cooperative (Cooperativa Juan Francisco Paz Silva, 2008). Since then BSI has become very positive about the radical nature of this development and is funding research to assess its impact.

In this way, a charge was made in the costs of production, and thus in the price paid for sesame, for the previously unpaid work of women. The question was then posed as to how the extra money should be used and who should have it. During the scoping exercise, the women interviewed were asked what they thought of the proposal to pay for domestic work. They were generally in favour but doubted whether they would see any of the money. 'Work on sesame,' they said, 'is men's work. Whoever does it, it is men's work.' However, the cooperative leadership latched onto this initiative right from the start as an opportunity to address the challenges of gender inequality in a positive and practical way.

#### 4. Soppexcca and coffee

News of this initiative travelled and in 2010 a somewhat similar scheme was introduced in Soppexcca, a cooperative union producing coffee in the Jinotega area of Nicaragua. Soppexcca is a second level cooperative and incorporates 900 farmer members who are organised in first level cooperatives. Delegates from each cooperative participate in the general assembly and elect the board and the fiscal committee as described above.

Soppexcca has a modern coffee processing plant and successfully exports its members' coffee. A key leader and founder of Soppexcca is Fatima Ismael Espinoza who is the general manager and an internationally known innovator in gender and Fair Trade.<sup>3</sup>

Soppexcca already had a strong gender policy and Fatima has stated that gender awareness is an integral part of everything the cooperative does. This translates into a concern to ensure women's special needs are addressed in access to finance, marketing, health care and training activities. In this context, Soppexcca developed a 'women's coffee' (i.e. coffee grown by women on land owned by women). The coffee under the label 'Sister Coffee' has been a marketing success, particularly in the US.

In 2009/10 Soppexcca was due to renegotiate Fair Trade coffee contracts through ETICO with Salt Spring Coffee Company from Canada and Thanksgiving Coffee Company (TCC) from the US. The buyers from Salt Spring had already visited CJFPS and were impressed by what they saw. When Fatima suggested that a payment for the contribution of women's unpaid work should be included in the coffee contracts, both Salt Spring and Thanksgiving agreed. However, the decision here was not to increase the price paid for coffee, as had been done with sesame, but to pay an additional amount. In practical terms, this worked more like an addition to the social premium, which is an integral part of all Fair Trade contracts. The reason for this would seem to be the more precarious nature of the coffee market compared to that of sesame, and the concern by the cooperative management to keep the amount distinct and separate. The same measure as in sesame of 12 days per *manzana* was adopted but no assessment of the actual value of the unpaid work done in support of coffee production was undertaken. The contracts for both companies clearly state that this addition is in 'recognition of the unpaid work of women.' The amount to be paid by each company was 0.05 US dollars per 1lb of coffee.<sup>4</sup>

No scoping exercise has so far been done for coffee farmer households. Coffee bushes flower in September and are harvested in October/November. They last for twenty years at optimum production and should then be gradually renewed. There is thus a fair amount of work throughout the year, more than with sesame. The coffee is mostly wet milled, fermented and dried on the farms. Most of the farm work is done by men even where the farmer is a woman. However, women (farmers and wives of farmers) are involved in a number of coffee related activities – sorting through the coffee cherries, hand picking imperfect beans and tending coffee seedlings. Unpaid domestic work is done mainly by women. Some of it relates directly to the coffee production: cooking for the coffee workers and hired help, carrying food to the fields and doing laundry. Other tasks involve family maintenance – caring for children and the elderly, preparing meals, cleaning the house, growing vegetables, caring for small livestock.

---

<sup>3</sup> Fatima Ismael is a founding member of the Nicaraguan women's network of women coffee farmers, "Flores de café". She is also a member of the International Women's Coffee Alliance.

<sup>4</sup> The exact text in the TCC contract is 'an addition of 0.05 cents per 1 lb of coffee will be paid for the recognition of the unpaid work of women. This will be paid separately...'. These contracts at the moment are only in English.

The payment through the social premium is simple since it goes directly to the cooperative as a lump sum. However, the direct link to the time worked and the valuation of that time are missing.<sup>5</sup> One of the buyers from TCC said that although he thought the claim for support labour to be costed was justified, the margins in coffee were too low and the market too competitive for it to be possible to include this in the price. However, as ETICO has pointed out, in reality there is sufficient money in the coffee chain to cover these costs: the problem is the distribution of value along the chain. This illustrates clearly the effects of the lack of visibility for especially women's work at the production end of the chain. Overt competition is at the selling and marketing end and even in Fair Trade this is fuelled by cheaper production costs. Thus the layers of work involved are obscured.

## 5. How the money is used – CJFPS

The extra money paid by BSI for women's work has not been paid out directly to individual farms or to the women within them. Instead, the cooperative leaders decided to set up a general savings and loan scheme for women in the cooperative - as a way of both benefiting women and strengthening the cooperative itself.

Through the savings and loan scheme women who save up to \$100 have these sums doubled by a loan from the cooperative in recognition of unpaid work. They are encouraged to form groups and use the money for collective as well as individual projects. One example is the '*Amor y Paz*' (Love and Peace) group. The members combine individual projects with collective actions where they share funds and expenses. The main activities are baking, usually bread and biscuits, and preparing cereals. They want to set up a catering business and do work for the coop. In the future they would like to keep cows as a group and develop meat products. One member is doing a course at the university in Leon and two are in secondary school.

In general, the main trend in these groups seems to be to take on a diverse range of activities at a more commercial level but still in fields which are culturally acceptable for women. However, this does involve greater participation and consultation in the affairs of the coop and a stronger presence within it.

In January 2011 a meeting was held in the CJFPS in Achuapa of representatives of the women's groups. The aim was to report on activities as above and plan for the future. During the course of the meeting the women were asked whether they understood where the extra money was coming from and whether they agreed with paying women for domestic and farm work on the basis that it was a contribution to cash crop production. Not surprisingly they were somewhat confused by this formulation but when they were asked to contribute to a diagram on a white board of the unpaid work that women do – in the household, farm and community – they became very enthusiastic and came up with some new issues. In particular, they emphasised the long hours that women worked, their responsibility for managing the household (including bills) and their contribution of ideas both for the family and the community. They were emphatic that all of this should be seen as a contribution to production – and that no distinction should be made between direct and indirect contributions.

The view of the management is that the scheme is so far a success. Women are showing themselves to be good workers and reliable at paying back loans. They are strengthening the cooperative. It is clearly significant that more women than men are now joining the cooperative as full members. Of the 34 new members in 2010, 19 were women and 15 men. Before that the coop had 272 members, 42 women and 230 men. It is also seen as good news that the women's groups will now do the catering (on a paid basis) for the cooperative so that services do not have to be

---

<sup>5</sup> ETICO and Salt Spring are currently funding research with the women involved to record the history of the initiative, assess in what ways women are benefitting and develop plans for the future.



bought in from outside. It is agreed that women's work needs to be recognised and seen as complementary to men's work. When women were asked why they were joining the cooperative as members, they gave two reasons: they liked the style of working and it gave them more opportunities.

Participant observation indicates that the women involved in the project value themselves more highly and feel that they are making a contribution. This has a beneficial effect on households and on the community. It would take further research to ascertain whether there are also negative effects – jealousy and resentment among some men, for example.

## 6. How the money is used – Soppexcca

The money from TCC for unpaid work amounted to 43,000 córdobas in 2010 (approximately \$2000). Salt Spring paid the same. When deciding how to use the money, the cooperative management were struck by the fact that the most disadvantaged women they could see in their coffee domain were the low paid women workers at the coffee processing plant (*beneficio*). These women work on the patio, putting coffee cherries out to dry and sorting the beans just before bagging for export. They were women who worked for approximately six months a year on temporary contracts and had no access to the benefits of cooperative membership. In interviews both individually and collectively it was apparent that the vast majority of these women were single parents who did the unpaid work chores both before and after work. It seemed that these women had a much tougher lot than even the poorest campesino woman, that is those women living on the rural farms and doing the unpaid work in support of cash crop production.

It was then agreed, and confirmed at the Soppexcca AGM 2010, that the money ring-fenced in the social premium should be used to improve the condition of these low paid women workers. The aim was to improve their situation by encouraging them to organise, just as the poor farmers had done when they set up Soppexcca. The policy agreed had two aspects. The first was to encourage the women to form their own cooperative within the Soppexcca framework. The second was to try to find out from the women what they wanted to do. When the answer was 'run a shop' Soppexcca fitted out premises for them. The money for unpaid work was used to buy the first stock.

Currently the women's cooperative has been formed after intense participation including training for the women and careful investigation of legal requirements and structure. There are now 42 members. The shop is open and sells a range of basic goods at slightly lower prices than would be charged outside. At the beginning the women asked people what they most needed, and then sourced the goods very carefully after research into which suppliers gave the best value. The cooperative members get credit for their purchases. The shop has become popular both with the other workers at the *beneficio* and with some from the general public also.

In addition to the above resources, it was considered vital that the women should feel ownership of the process, and the mechanism agreed by the cooperative members themselves was that they should each try to save up to 100 córdobas a month. This fund has been successful and its total already outweighs that of the premium.<sup>6</sup> The women hope eventually to be able to have loans for individual as well as collective projects. Fatima has been instrumental in judging the pace of the process and in encouraging collective initiatives before individual projects. Her reasoning is that the organisation of the women must show consolidation before potentially more divisive individual loans are granted (Fatima Ismael, personal communication, 14 June 2011).<sup>7</sup>

---

<sup>6</sup> When they are working, the women save as a group on average 3,500 córdobas (\$160) per month.

<sup>7</sup> Personal communication from Fatima Ismael, 14 June 2011.

It can be observed here that Fatima appears to have a clear strategy for guaranteeing that specific initiatives complement the cooperative's strength and development: that is that the coop should only provide benefits that can be offered to all and in such a way that is generally perceived to be fair. Collective activities are by nature open to all and much more likely to be seen as fair. Interestingly, the existence of the women's cooperative and its activities have been generally welcomed by the other members of Soppexcca who could have seen this as being an unnecessary use of the cooperative's scarce resources. It is also the case that the women's coop has provided a platform which allows a wide range of issues to be aired, including harassment and sexual abuse.

A meeting was held in January 2011 by the women workers to greet TCC representatives and thank them for their help. This was an occasion for the buyers to recognise the contribution made to coffee quality by unpaid and low paid women workers. In discussion, the women recounted the benefits they had received both in joint working and in gaining better access to health, education and training. They appeared confident and to be gaining new skills in running the shop. This meeting was significant in that it showed that an important buyer recognised the work that women do, and created contact between levels in the supply chain which are rarely in touch.

It would seem from this account, that the notion of paying for unpaid work has been used as a lever to tackle the disadvantaged position of women more generally and give them greater access and status. The already strong gender policy has been pushed in new directions. Overall, the scheme is increasing awareness about gender issues in the cooperative and raising the status of the work which women do. It also appears to be developing a solid and sustainable collective framework.

## **7. Analysis and issues**

Sarah Gammage's recent research on unpaid household work in Guatemala shows the extent of this work and its contribution to the economy, and also the damaging effect on women of the combination of time pressure and income poverty. She suggests that even small changes in policy and infrastructure can make a significant difference to well being (Gammage 2010).

The decision to take on board the issue of women's unpaid work and give it a value in the production process is thus highly significant. It avoids the danger of 'wages for housework' in that it both recognises the special nature of unpaid work and links it to the wider world of production and trade. As a result, women are drawn to see themselves as part of that process rather than remaining marginalised and separate. With that valuation in place, it becomes more likely that women's unpaid work will be positively viewed and assessed.

These developments, however, also raise questions about what the term 'women's empowerment' actually means. Is it more important to benefit individual women directly, or is it, as the cooperative leaders have decided in these examples, better to pursue the empowerment of women through collective activities? Micro credit schemes for women have been questioned for doing the former rather than the latter (Lairap-Fonderson 2002); and the World Bank's embracing of the term 'empowerment' ('the empowerment of women is smart economics') in its policies for women suggests that such actions alone are not seen as challenging to the existing economic system (Kerry 2002). The task therefore is to benefit individual women in ways that they can recognise and at the same time preserve structures that aggregate strengths and mitigate the negative aspects of the market. This combination would seem to accord better with the definition of empowerment given in the Agenda for Change document, since it has the potential to enable individuals to work together and challenge the structures that govern their lives. The issue of democracy and how decisions are reached in this context are crucial.

In the two developments described in this paper, cooperative managers and Community/Fair Trade buyers have agreed to take the first step in valuing unpaid work. This seems to be being done mainly on the basis that it contributes to achieving equity and social justice. Interestingly, the logic of the argument is hard to refute once placed on the table. However, the implementation and best use of the funds obtained is by no means clear, particularly given existing power balances. Nor is it clear how the women doing unpaid work can best benefit. A view expressed by the managers is that in fact all women in the cooperatives are doing unpaid work to a greater or lesser extent and the women of the families who produce sesame and coffee are often women who have already benefitted directly or indirectly from the Fair Trade sales and so are not necessarily the women who are most in need. One problem is that these campesino women in particular seem to have little voice and may not understand what has been obtained in their name. However, the CJFPS meeting in January with the white board diagram suggests that if the situation is clearly explained and they are given space to talk such women can express themselves forcefully.

Two examples of how the money is paid and used are given here. In the CJFPS example, some attempt at valuation has been made and the payment is included in the price. In principle, it should be handed out as wages to the women in the families who have done the work. However, the cooperative leaders have been anxious to see the money used collectively in ways that benefit women generally and the cooperative as a whole. This is the purpose of organising the women in groups and encouraging them to become members of the cooperative. The women, who are clearly benefitting, appear to have gone along with this and within certain limits they have powers of decision. The meeting discussed above took place in this context. This would seem to be an example of an empowerment that is benefitting women as individuals but also contributing to the functioning of the cooperative as a collective enterprise.

The Soppexcca example is rather different. Here the same calculation has been used as with sesame (12 days per *manzana*). This is reasonable but it needs further research to value the unpaid work being done specifically in coffee production. It would seem that the cooperative leaders have preferred to have the money paid using the mechanism of a premium as with certified Fair Trade; that means the additional payment is not included in the price. This makes the amount more discrete while still remaining earmarked for women. But as a result the link to production and support labour costs is more distant. The additional money in recognition of unpaid work has been used to address the needs of disadvantaged women in general. The emphasis has been on incorporating the women into the structures of the cooperative thus giving them a formal platform for their needs to be heard. This in turn is improving the way the cooperative functions. In this example, the cooperative level and needs have been given priority over the needs of the women the money was designed for. However, the end product appears to be overall beneficial. Only time and further research will show what model of empowerment is being pursued here and what the results are.

Valuing unpaid work can thus be seen to be an important trigger for directing attention to the situation of women in global supply chains and in cooperatives. And as these examples show, it has the power in the right circumstances to engage leaders of cooperatives who have proved themselves in the past to be agents for change. They have seen this issue as a way of engaging with and empowering disadvantaged women and building them into the structure. The women themselves seem to be benefitting although further research is needed to see the exact parameters of this.

It is important to underline that these initiatives have only been possible so far within the Community/Fair Trade context. Although this view of women's empowerment has not necessarily been upfront in the past, only in these circles

has there been sufficient space and openness for such ideas to be considered. The catalyst of ETICO has also been important in floating ideas for others to take up. In this respect and with this kind of development, Fair Trade is going back to its roots and is developing important new initiatives which once again attempt to introduce justice into international trading.

### **Bibliography**

- Breugel, I., 1976. Once More on Wages for Housework. *International Socialism*, 91, p. 15.
- Cooperativa Juan Francisco Paz Silva, 2008. *Unpaid Work and Cash Crop Production in Sesame – how to deal with the issue of 'support labour costs'*. CFJPS Nov. 2008, Unpublished paper.
- ETICO - The Ethical Trading Company 2010. *Report and Accounts for year ending 31 March 2009*.
- Esquivel, V., et al., 2008. Explorations: Time-Use Surveys in the South. *Feminist Economics*, 14 (3), 107-52.
- Fontana, M with Eyben, R., 2009. *Agenda for Change – Women's Empowerment Needs a People Centred Economy* [online]. Brighton: Pathways of Women's Empowerment. Available from: [http://www.pathways-of-empowerment.org/IDS\\_agenda\\_for\\_change.pdf](http://www.pathways-of-empowerment.org/IDS_agenda_for_change.pdf) [Accessed 20 Mar 2012]
- Gammage, S., 2010. Time Pressed and Time Poor: Unpaid Household Work in Guatemala. *Feminist Economics*, 16 (3), 79-112.
- Haslam, P. and Hoskyns, N.C., 2011. Nicaragua: the Road to Freedom. In: J. Bowes, edtr. *The Fair Trade Revolution*. London: Pluto Press, 55-70.
- Hoskyns, C. and Rai, S. M., 2007. Recasting the Global Political Economy: Counting Women's Unpaid Work. *New Political Economy*, 12 (3), 297-317.
- Hutchens, A., 2010. Empowering Women Through Fair Trade? Lessons from Asia. *Third World Quarterly*, 31 (3), 449-467.
- James, S. and Costa, M. D., 1972. *The Power of Women and the Subversion of the Community*. Bristol: Falling Wall Press.
- Kerry, J., 2010. *Women's Empowerment: a World Bank Priority for the 21st Century*. <http://web.worldbank.org/wbsite/external/topics/gender> [Accessed 22 Jun 2011].
- Parpart, J. L., Rai, S. M., and Staudt, K., 2002. *Rethinking Empowerment Gender and Development in a Global/local World*. London: Routledge.
- Picchio, A., 1992. *Social Reproduction: the Political Economy of the Labour Market*. London: Zed Books.