

The Sustainable Fair Trade Management System

- Possibilities and challenges with the SFTMS in Nepal

Abstract

This study is a minor survey on the view of the possibilities and difficulties with developing and putting the fair trade handicraft labelling Sustainable Fair Trade Management Systems (SFTMS) into practise.

In view of the many steps involved in the handicraft production chain, one of the main objections against the mere possibility to put a market labelling into practice – it's simply too hard to control all these stages in the production to be able to certify that the production is done in accordance to the fair trade principles.

During our study visits, we met representatives from Nepal Leprosy Trust (NLT), Kumbeshwar Technical School (KTS), Women Skills Development Project Pokhara (WSDPP) and Children-Nepal (CN)/Suryamukhi handicrafts. We were also given the opportunity to meet with Chandra Prasad Kachhipati, Fair Trade Group Nepal's general secretary and newly elected representative in Asia Fair Trade Forum (AFTF). Some of them feel they are ready to meet the challenge to enter into the SFTMS, others were worried that the costs for the system will be too high, which will exclude small producers and organizations.

A summary of the identified critical areas for further discussion and investigation:

Capacity	Clustering of the producers in order to monitor and scale up Co-operation between the organisations – new marketing model Different settings for producers of different sizes Development from NGO to business orientation
Cost	Will it be too expensive for the small-scale organisations and leave the marginalized producers behind? There will be costs for : <ul style="list-style-type: none">• Education• Administration• License - per producer or per organization?• Monitoring
Monitoring & control	How to control the home-based producers, for example regarding the working environment, working hours etc. Will it be possible to control the production chain when domestic raw material is difficult to find in Nepal?
Administration and Guidelines	Will there be resources to set up the programmes for continuous improvement (PCI)? Increased demand for internal and external communication.
Different context in different countries	Not an equal market situation regarding the supply of raw material, support from the government, infrastructure etc.
Credibility	Will there be a clash between labelled and unlabeled fair trade products? If it's not possible to guarantee that the products are made according to the fair trade principles from start to finish, will the certificate be credible?
Comparisons with FLO experiences	There are many similarities in the process with developing a certification mark, with similar worries and experiences to learn from.