

**THE BENEFIT OF BASKETS: THE ECONOMIC, ECOLOGICAL, AND CULTURAL  
IMPACTS OF FAIR TRADE OF THE INDIGENOUS YE'KWANA IN THE RIO  
CAURA REGION, VENEZUELA**

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**Abstract**

*The linkages between international trade, the environment, cultural exploitation, and poverty have come under increased scrutiny in the last decade. This is, at least in part, attributable to the perception that the current process of globalization is occurring at a rate unprecedented in human history, and with a lack of attention to consequences for the rural poor and the environment. Trade scholars have been concerned with the impacts of open trade in terms of natural resources (i.e. overexploitation), economic benefit (are local producers receiving fair prices), as well as the cultural impacts (cultural erosion) in developing nations. In response to these concerns the Fair Trade movement has been active for over 40 years. The primary goal of fair trade has been about providing market opportunities and developing the Northern market for products from poor producers in developing countries. This case study examines the impact of Fair Trade on a women's cooperative in the Ye'Kwana indigenous community of Boca de Ninchare located in the Caura River basin of Venezuela. Earthbound, a non-government organization, has conducted a series of workshops with the Ye'Kwana on marketing options to generate income from the sale of baskets, basic business skills training, and participatory research for management of forest products used in the basket weaving enterprise. The project uses fair trade to ensure that the commercialization of the baskets is sustainable from a cultural, business, and natural resource perspective.*

**Introduction**

In the globalized world, trade is one of the most powerful forces linking our lives. World trade has the potential to act as a powerful motor for the reduction of poverty, as well as for economic growth, but that potential is being lost. The problem is not that international trade is inherently opposed to the needs and interests of the poor, but that the rules that govern it may favor of the wealthy. To examine this presupposition, the researchers will review the impacts of free trade on economic growth, poverty, the environment, and culture as well as the introduction of an alternative marketing framework- Fair Trade.

*Free Trade*

In theory, well-managed trade has the potential to lift millions of people out of poverty. However, increased trade is not an automatic guarantee of poverty reduction. The theoretical rationale for trade liberalization is that increased openness to trade is beneficial to economic growth and efficiency. Increased trade, so the argument runs, is generating the employment and economic growth needed to reduce poverty, and reducing income inequalities between rich and poor countries. While it is recognized that trade creates losers as well as winners, standard economic theory dictates that in the end everybody wins. Overall, this perspective may offer a very “optimistic” perspective about the potential impacts of free trade.

There has been research that has supported the fact that trade openness lead to increased economic growth. Sachs and Warner (1995) found that gross domestic product (GDP) in developing countries with open economies grew by four and one-half percent annually in the 1970's and 1980's, but that those with closed economies grew by only seven-tenths of a percent annually. These trends are supported by further research from Frankel and Romer (1999), Harrison, Rutherford, and Tarr (2003), Irwin (2002) and Brown, Deardorff, and Stern (2003).

Despite some notable successes, the expansion of world trade under globalization has produced disappointing outcomes for poverty reduction. Rising tides are supposed to lift all boats; but the rising tide of wealth generated by trade has lifted some boats higher than others, and some are sinking fast. Many of the developing nations are forced to open their markets due to pressure from the International Monetary Fund and the World Bank. At the same time, many of the developing nations face tariff barriers that are four times higher than those encountered by developed countries. Essentially a double standard has been established. World trade rules are a key part of the poverty problem; fundamental reforms are needed to make them part of the solution (Low, 2002; Oxfam, 2002).

There are also concerns about the environmental impact of free trade. As global economic integration intensifies, so does the potential for conflict (Lawrence, Rodrik, & Whalley, 1996; Dua & Esty, 1997). Public health standards, food safety requirements, emissions limits, waste management and disposal rules, packaging and recycling regulations, and labeling policies all may shape trade flows. With new issues like biotechnology and climate change emerging, the potential for significant and divisive battles between trade policy and regulatory choices—including environmental rules—looms large. Perhaps Leeuwis (2004) said it best when he stated: “In summary, it can be argued that, if agricultural branches are to become more sustainable, farmers and other stakeholders will – more than in the past – have to take into account and link inherently complex knowledge regarding both global and local processes and circumstances (p. 6).”

Free trade has also had a significant impact on culture and intellectual property rights. Cultural industries have come to be included in a distinct sector where the creation, production and marketing of goods and services are combined. International lawmaking has limited effectiveness in countries that lack a well-functioning judicial system and the needed enforcement infrastructure. Even worse, the international lawmaking process has become increasingly vulnerable to influences from multinational corporations, trade associations, and value-driven interest groups. The resulting laws also have ignored such important issues as consumer interests, national sovereignty, cultural diversity, ecological sustainability, and native property rights, and human rights (Yu, 2000; Endeshaw, 2002).

The increasing integration of developing countries into the global trading system offers the promise of more rapid progress towards poverty reduction and improved standards of living.

Trade cannot realize its potential unless industrialized and non-industrialized countries alike take action to make it work for all population segments and the environment. That means redistributing opportunities through new rules and new forms of international cooperation at a global level, and through more effective anti-poverty strategies at a national level.

### *Fair Trade*

In response to concerns over the impact of free trade upon poverty, the environment, and culture there have been alternative models developed that promote trade but attempt to ensure that it is conducted in a manner sensitive to the above-mentioned factors. Fair traders believe that trade may potentially benefit people in developing nation. However, special attention must be paid to trade tariffs, poverty, and environmental degradation confronted by many of the developing nations. Essentially, there has been a movement in order to level the playing field. Fair Trade products are sold through three main channels: dedicated retail outlets, supermarkets and mail order. In addition to these three main channels, there are other retail channels such as solidarity groups, whole food shops, and independent commercial stores (NRET, 1998).

There are a myriad of contradictions and challenges inherent in Fair Trade. The movement is against the unfairness of the market, but aims to enable producers to compete in that market – it is ‘both in and against the market’ (Tiffen, 1999). It has to deal with multiple stakeholders, in particular balance the needs of the producer with the demands of the consumer. It is increasingly under the spotlight, partly because so many people have faith in Fair Trade and want it to work.

### **Contextual Setting of the Study**

The Caura River in Venezuela is the last large affluent of the Orinoco. The upper reaches are home to two ethnic groups: the Ye’Kwana and the Sanema. The Ye’Kwana is a Caribbean-speaking group with a population of about 3,100 people who migrated north along the Amazonian rivers of Brazil. Cultural identity for the Ye’Kwana is clearly seen as something created (Guss, 1988). In many aspects of their lives, such as: homes, canoes, and baskets, their world view is defined and transformed. For example as males mature into adulthood they are expected to be able to create all cultural artifacts which pertain to manhood, most importantly baskets. Baskets, though very functional tools, are latent with metaphysical symbolism which shows a man's understanding of and place in the universe.

The Women’s Baskets, the “Wuwa” are woven from very tough forest fibers harvested from the aerial roots of hemi-epiphytic plants of the genus *Heteropsis*. Knab-Vispo, Hoffman, Moermond, & Vispo (1998) discussed the growth of the vine in stating:

The seeds, which can be dispersed by birds or monkeys (*Castellanos pers. comm.*; *Van Rosmaalen pers. comm.*), germinate in the ground. The seedlings grow along the soil surface directly towards the nearest tree trunk. Once the shoot tip of the seedling has reached the base of a host tree, it becomes a root climber that grows up the host’s bole, attaching itself to the tree’s bark with clasping roots issued from nodes along the stem. When it has reached a suitable location on the host tree, often in the half shade of the crotches of lower limbs, the plant grows mature plagiotropic branches and aerial roots that reconnect it with the ground and take on an essential role in water and nutrient supply. These aerial roots may eventually be harvested for their fibers. Once the aerial roots are connected and have matured, the stem that had originally climbed the host dies.

Flowers and fruits are eventually produced on the plagiotropic branches. *Heteropsis* plants show a high flexibility in their vegetative growth (p. 345).

The roots grow down from the forest canopy and when no more than 50% of the aerial roots are harvested, there is no damage to the original plant (Hoffman, 1997). There are concerns about over harvesting. This is a large issue because the resource has many uses as a strong, flexible, and easily accessible plant. *Heteropsis* is easily over-exploited but is sustainable if basic harvesting principals are followed.

Earthbound has conducted interdisciplinary research in order to assist the Ye'Kwana in the Rio Caura basin of Venezuela in developing a market and manage their resources. An interdisciplinary team composed of biologists and social scientists, including market specialists, engaged the Ye'Kwana in a series of participant-centered workshops focusing upon trade and natural resource management of native communities. The main community involved in the project was the Boca de Ninchare, a community of 100 inhabitants, targeting a women's cooperative that harvests and manages the resources, as well as produces baskets for export.

The cooperative of Kanswasumi is composed of 20 women and two men from the community of Boca de Ninchare. There is a president, vice president, treasure, and secretary. There are not many members with formal education and this is a limitation because the current board of directors will finish their term in two years. At this point, there is a challenge to have a new board of directors that is able to give continuity to the policies that are taking place.

### **Purpose**

The purpose of this case study was to determine the effects of a deliberate intervention by Earthbound upon the ecological, cultural, and economic impacts of Fair Trade.

### **Method**

This evaluative case study was part of a larger study involving social, economic, and ecological research, including the costs of production of baskets, the different baskets produced, resources utilized, potential exportation models and the cost of different baskets. Data were collected by participatory approaches including mapping where *Heteropsis* was grown and participant-based identification of the multiple uses of *Heteropsis*, its ecology, rate of growth, and the impact of the harvesting on the resource. Plots were established and managed by the women to monitor plant growth. Each woman was asked to collect plant growth and development data on a plot 10 x 10 meters. Additionally, the community established four more plots each 20 by 20 meters in order to examine the impact of the traditional harvesting on the resource. Two plots were harvested four times, another twice, while the final plot was not harvested. The women recorded the number of aerial roots (vines) on each tree, as well as the diameter, height, and tree species. In this manner, they were able to control for other factors that may influence the growth of the plant.

Another exercise was to find a market for the baskets. The team collected samples of the baskets and artistry from the community and to display at trade shows. The team received interest from the *Sundance Catalog*, which has been around since 1989. This catalog features items such as jewelry, apparel, home decor, and furniture made by artisans. Additionally, the team identified key issues such as registration of the cooperative, problems with transportation, accounting, money transfer, communication, and collecting data on resource use and growth. The

goal has been to analyze and utilize adaptive management to develop the capacity of the community to develop and manage their resource.

The data for the current study included the impact of harvesting on the aerial roots by examining four community plots that were harvested at different intervals in one growing season. Two of the plots were harvested twice, one of the plots was harvested once, and the final plot was not harvested. Multiple linear regression was used to analyze the data. The dependent variable was the number of aerial roots and the primary independent variable was number of times that the plot was harvested. Control variables included tree height, number of trees in the plots, tree species, and tree diameter.

A second analysis examined the cultural impact of fair trade. The data for this objective involved cultural images used in the design of the baskets. These data were collected utilizing participant observation. The researchers examined design changes over time based upon the intervention of global trade.

Finally, economic impact was assessed by examining export data and the prices paid to women for the product. These data were compared to the data collected in the early stages of the project of the normal sales prices in the area.

### Results

The initial analysis revealed that aerial root development could be explained by a linear combination of harvesting practice, diameter, tree height, number of trees, and tree species ( $R^2 = .224$ ,  $F(5,382) = 22.07$ ,  $p < .001$ ). An inspection of the beta coefficients revealed that the harvesting practice, the primary independent variable, resulted in a non-significant addition of .08 aerial roots, holding the control variables constant ( $t = 1.85$ ,  $p = .07$ ). The only significant beta coefficient of the control variables was tree diameter ( $t = 7.83$ ,  $p < .001$ ). Consequently, the researchers concluded that based upon common harvest practices, the community has been able to manage their natural resources and there has not been a negative impact on the resource through exportation using fair trade.



*Figure 1.* Women's cooperative member conducting investigation

In an attempt to examine the cultural impact of fair trade, the researchers examined cultural images using participant observation. Basketry is an intricate part of daily life and is among the finest functional art present in Ye'Kwana society. Men weave several types of baskets, with the guapa basket (see Figure 2) being best known for designs that are rooted in folklore and cultural tradition. Guapa is the most symbolically powerful art form, due to its clear representation of Ye'Kwana ideology embodying the dual forces in the universe (Guss, 1988).



Figure 2. Example of a Guapa Basket



Figure 3. Example of a Wuwa basket

According to the Ye'Kwana, the life systems (animal and plant, for example) have equivalents in the invisible world. When the Ye'Kwana affect the visible manifestations of these beings (hunting, harvesting forest products) they bring about an imbalance in the invisible world. The invisible forces then react, causing misfortune, sickness or death to the aggressors. To deal with this problem, the Ye'Kwana performs rituals (Guss, 1988). The weaving is thought to neutralize the negative impact; by weaving the profane magic into a culturally controlled medium. It is believed that weaving purifies magic and transforms it into a benign yet powerful symbol.

Another myth describes how the fierce monkey people (Wajisidi) attacked the Ye'Kwana and how the Ye'Kwana over came them and killed them all including their chief who was truly a great shaman, Odosha the devil. It is taught that in his shaman's pouches, which were as big as suitcases, the designs for the guapa, wuwa, homes, and agriculture were found (Guss, 1988). Thus weaving and the monkey are important components of the Ye'Kwana culture.

In particular, woven baskets play an important practical and cultural role for the Ye'Kwana. Part of 'being Ye'Kwana involves the skill to weave the different baskets that serve a variety of purposes in their daily life, including those that recreate Ye'Kwana mythology. However, many Ye'Kwana have started to move to cities in an effort to improve their livelihoods. Many of the younger men observed, are not making the traditional guapas, so therefore there is a cultural shift afoot. This represents a serious loss of cultural identity.

While there has been diminished weaving by the men, the women continue to make the traditional wuwa (see Figures 3 and 4). Many of the women have described a slow evolution where they first colored the baskets. Now they are incorporating more of the traditional images into the designs. The majority of the women have been involved in the cooperative and the weaving, even those that live in the city. Fair trade is helping to ensure that the weaving remains a part of the Ye'Kwana culture because weaving contributes to their livelihoods.



*Figure 4.* Example of a Wuwa basket

The final analysis involved examining the impact of Fair Trade. Overall, the economic impact appears to be positive (Table 1). This comparison is made by examining the normal amount of labor as compared the Ye'Kwana baskets as compared to the prices paid for the baskets if they were sold in fair trade market in Boca de Ninchare or the final point of purchase-Ciudad Bolivar. The improvement varied between 10 and 43% if baskets were sold in the community of Boca de Ninchare and 11 and 53% if the baskets were sold in Ciudad Bolivar. In reality the increase is much higher than the normal prices for the baskets. The project is paying an average of 400 bs. per cm (\$1=2140 bs.) per basket while the normal market is 150 bs. per cm. Overall, the fair trade market has shown a strong improvement.

Another impact of Fair Trade has been the establishment of a secure market. Traditionally the Ye'Kwana has sold the baskets to tourists, a seasonal market that is sporadic at best. Consequently, the secure market is a vast improvement over the previous situation.

Apart from the secure market, the establishment of a rotating fund has helped with the instant payment for women. Traditionally the women had to wait until the baskets were transported and sold at the market, and for the marketer to return to the village, prior to receiving payment. With the rotating fund established by the cooperative, a more dependable income stream is generated that is used in basic household subsistence. Therefore, the direct payment has a strong impact on the well being of the households.

The cooperative has also made progress with the supply chain infrastructure. The establishment of an office in Ciudad Bolivar has been a major achievement in terms of the ability to store baskets. This office has also strengthened communications between villagers and Earthbound personnel. The cooperative has also made substantial progress in the area of

bookkeeping and computer skills used in inventory, distribution. All of these attributes bode well for the future of the cooperative.

### Conclusion

There are many important lessons that may be learned for both extension agents and development practitioners about the ability of free trade, the use of participatory techniques, as well as scale issues from this case study. First, the project has shown the ability of the cooperative to make, market, and transport their goods. Participatory methods and participatory investigation have assisted by giving the women the chance to manage their own resources.

This project has however taken four years in order to achieve these results. It takes time in order to get information on costs, transportation, markets, and to actually start exporting. The project shows the ability of fair trade to assist these stakeholders in both artistry as well as the exportation of baskets from a cottage industry related to natural resource extraction. Finally, there are important lessons in terms of the scale (i.e. community to start). Afterwards it is possible to scale up through the use of social networks as interest grows.

**Table 1. Percentage Increase in the Economic Impact of Fair Trade for the Different Size Baskets with the Final Destination in Boca de Ninchare and Ciudad Bolivar as Compared to Normal Process.**

Minimum Size cm	Maximum Size cm	Percentage Increase in the Price with the Final Destination: Boca de Ninchare	Percentage Increase in the Price with the Final Destination: Ciudad Bolivar
57	61	10.28%	11.31%
43	47	11.20%	13.69%
33	38	8.60%	10.51
25	30	15.47%	18.91%
		0.00%	0.00%
22	24	36.30%	44.37%
22	23	43.56%	53.24%

The project still has many important obstacles. There is still concern regarding the future impact of the extraction of non-timber forest products for basket production. There needs to be further study of the sustainability of the natural resources. The resource needs to be carefully monitored in each area in which it is being harvested. It is important to ensure that the extraction does not exceed 50% of the aerial roots in any area and that there is adequate rotation of the areas extracted, allowing it to recover. Therefore, the project needs to grow slowly ensuring that there is participatory evaluation in each area.

The cooperative still faces significant challenges in terms of transporting the goods both inside and outside the country. Another challenge is communication with the community due to its remote location. Furthermore, there needs to be an expansion of the members that are participating on the board of directors. It is not easy to capacitate these individuals and the lessons-learned need to be shared with the other Ye'Kwana.

The project has the potential to expand but there needs be careful attention devoted to the future design and the manner in which to proceed. The project must ensure that it capacitates all of the members, ensures participation, and monitors the cultural, economic, and ecological impacts of the project.

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