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Trashé Designs: A Social Enterprise

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Trashé Designs: A Social Enterprise

Cara Walden

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Abstract

During my years in graduate school, my understanding of economic inequality has further expanded. While my experience in the Peace Corps and Nepal allowed me to see it in real life, my time in school has allowed me to ground these experiences in academic literature. By means of an action research project, my goal is to create economic opportunity for the HIV/AIDS community in Chiang Mai, Thailand, through the creation of the social enterprise Trashé Designs. A social enterprise is a way to address a social challenge with a market-based solution. My social enterprise, Trashé Designs, uses recycled materials to create a variety of fashion accessories in order to provide a sustainable income for those who participate. This paper explores the success and barriers other social enterprises have faced, as well as provides a review of HIV/AIDS in Thailand and the stigma placed on individuals who have the disease. Understanding the marginalization of this community will provide the necessary context to understand why Trashé Designs, as well as other social enterprises, are important development tools in addressing problems of economic inequality.

*Keywords:* Social Enterprise, Entrepreneurship, Micro-credit, HIV, AIDS, Stigma, Thailand, Hand-made crafts, Artisan, Economic opportunity, inequality
# Trashé Designs: A Social Enterprise

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Chapter 1: Introduction and Background

Over the last four years, I have been searching for my place within the field of international development. Through several experiences working on the ground level of several communities, I saw the same issue over and over again: lack of access to economic opportunity. The ability to rise in social class is based on a number of factors that include gender, race, and ethnicity, in addition to several others. Realizing this, I felt that the best way for me to contribute to this field would be to help offset inequalities and help give access to economic opportunity to marginalized communities.

In 2013, I lived in Nepal working for an Israeli NGO, where I was in charge of their youth development program. While I was there, I learned how to take plastic bags and refurbish them into other products. Specifically, the process involved cutting the bag in a particular way so that it was a long string of plastic, and then crocheting it into a variety of different fashion accessories. Initially, I used this skill to integrate myself into the community. The youth were fascinated with what I was doing and wanted to learn. Over the year, a variety of women became interested in learning the skill as well. I had come to understand that this particular community lacked access to economic opportunity, which not only limited their ability to change their social status, but also prohibited them from creating the life they wanted for themselves. With my background in development, this inspired an idea of how I could potentially help address this problem. If I could figure out a way to teach a group of women how to make the fashion pieces, and find a market in which to sell them, these women could potentially have a more sustainable income. Specifically, what is great about this idea is that the women do not need to invest any money in order to make the products. Therefore, any money they would make from selling the fashion pieces would be pure profit.
During this first year in graduate school, my understanding of economic inequality expanded. While my experience in the Peace Corps and Nepal allowed me to see economic marginalization in real life, my time in school has allowed me to ground these experiences in academic literature. While I still had my idea of establishing a women’s artisan group in the back of my mind, I did not know the technical term for what I wanted to create until my second semester in Thailand: I wanted to create a “social enterprise” for these women. While originally I had imagined working with rural Nepali women, the issue was that they have very limited time. Most of their day is consumed with working in the fields and feeding their animals. My eyes were opened to new possibilities when I came to Thailand and began my internship with Our Choice.

Our Choice is an organization working to provide information and services for those who have been diagnosed with HIV/AIDS. During my time at Our Choice, I had the opportunity to learn more about the social and health issues that the HIV-positive population experiences in Thailand, specifically the issues of stigmatization and discrimination in the work force. What I understood was that if I were to work with this demographic, I would not see the same obstacle as I did in Nepal. In fact, as I will highlight in the following section, the HIV/AIDS community has the opposite problem: due to high job loss caused by their positive status, they have an overabundance of time. When my supervisor Kaewta learned about my idea, she got very excited and asked if I would be interested in developing a vocational training program with her. I jumped at the opportunity. While there have been bumps along the way, the project came together quite quickly, which forced me to dive head-first into developing a business model leading to the creation of my social enterprise, Trashé Designs. However, in order to understand the process of how to create a social enterprise within this demographic, it was important to review the literature on this subject. The following section will explore literature on social enterprises,
traditional craftwork, women’s empowerment, and the stigmatization and discrimination found within Thailand among the HIV/AIDS population.
Chapter 2: Literature Review

2.1 What is Development?

When discussing economic opportunity as a form of development, it is important to understand what development means. For the purposes of this paper, I will be using Amartya Sen’s capabilities approach. Sehnbruch, Burchell, Agloni, and Piasna (2015) define Sen’s framework as, “a flexible approach for analyzing development concerns as an alternative to the traditional utilitarian approach, [as well as] understanding people as the protagonists of their own development, giving them a responsibility in the process rather than a prescription of what they should do or be” (p. 208). Sen’s purpose is to show that income and GDP measures are not accurate indicators of development: “Instead, people’s freedom to live the lives they want to lead is both the principle and means and ends of development” (Taylor, Srot & Gunnarsson, 2010, p. 3). Overall, Sen argues that the well-being of individual people has intrinsic value, and that the ability to achieve well-being should be evaluated in terms of capabilities (Sehnbruch et al., 2015, p. 207). Capability in achieving well-being is based on the level of freedom one has. Thus, as Sen (2001) explains, poverty should not be seen as a lack of income, but as a deprivation of capabilities and opportunities. To expand individual freedom it will require social commitment to improve the institutions that have created the current system of inequality (as stated in Taylor et al., 2010). Therefore, development can be defined as the “effort to increase the degree to which individuals have the freedom to live a life that they themselves have reason to value” (Smith, 2013, pg. 54).

In order to increase freedoms, there are several things that are needed. Smith (2013) has identified five categories needed in order to expand freedoms: (1) financial capital (this includes material wealth such as money and the ability to acquire credit); (2) physical capital, such as technology and national infrastructure; (3) social capital, which refers to the availability of
networks one has at their disposal; (4) environmental capital, such as raw materials and resources; (5) and human capital, which represents capital that is related to things such as access to education and health-care services (pg. 54). Having capital can help in the removal of barriers to freedoms, or in some cases limitations, which help or prevent people from achieving the life they wish to live (Smith, 2013; Penz & Drydyk, 2011). Therefore, “if development is to be a worthy social goal, it must entail the enhancement of well-being, especially for those who endure the greatest hardships” (Penz & Drydyk, 2011, pg. 6). There are several ways in which a development actor can help to enhance well-being; social entrepreneurship is one of them.

2.2 Social Enterprise

2.2.b Historical Context

Social entrepreneurship is a relatively new phenomenon. Therefore to fully understand the development of this industry, it is important to look at the historical context of social innovation. Mulgan, Tucker, Ali, and Sanders (2007) have tracked this process stating that over the last two centuries numerous social innovations have moved from the margins to the mainstream, such as the invention and spread of trade unions and cooperatives. Mulugan et al. explain that the great wave of industrialization and urbanization in the nineteenth century was accompanied by an extraordinary upsurge of social entrepreneurship and innovation. Specifically, the 1960’s and 1970’s were driven by social movements such as ecology, feminism and civil rights that spawned innovations in governments and commercial markets as well as in NGOs. (p. 10). People no longer felt that they could trust the government and large corporations and therefore began turning to individual innovators to come up with solutions (Nelson, 2004). Aueswald and Zoltan (2009) argue that entrepreneurs are vital facilitators of economic
development. This is true for several reasons. First, they are willing to take risks, and second, they are able to create new combinations of economic activities as well as design new ways of creating social value (as stated in Taylor et al., 2010).

Nelson’s (2004) research agrees that over the past two decades there has been a growing mistrust in the government and large corporations. Failures of corporate governments are seen throughout the media and trust in businesses remains low. This is exemplified by the World Economic Forum’s public opinion survey released in 2003. The survey asked 34,000 people across 46 countries whether they trust different institutions to operate within the best interests of society and the high majority answered no (Nelson, 2004, p. 3). Growth of private enterprises was spawned from this mistrust of big corporations. In fact, many people today see big corporations as the cause of poverty to begin with (Chowdhury, Ghosh & Wright, 2005).

Chowdhury, Ghosh and Wright (2005), for example, argue that the formal and informal financial sectors have failed to serve the poor. Specifically, “The failure of the formal and informal financial sectors to provide affordable credit to the poor is often viewed as one of the main factors that reinforce the vicious circle of economic, social and demographic structures that ultimately cause poverty (Chowdhury, Ghosh & Wright, 2005, p. 298). This issue of credit is something that several social entrepreneurs have looked at as. One of the innovative strategies to address this issue is through micro-credit enterprises.

Khandker, Samad and Khan’s (1998) research found that micro-credit programs are used as a way to expand employment opportunities for the poor. The micro-credit loan helps individuals and families pursue self-employment opportunities in a variety of informal activities. The overall objective is to ease the credit constraints of the household in addition to provide them with the necessary capital to initiate the activity in the first place. The point, however, is that micro-credit evolved out of mistrust of large financial corporations that were limiting access
to credit and charging high interest rates, helping to sustain the cycle of poverty. In contrast, Nelson (2004) explains that while mistrust of big corporations is heightened in today’s world, “in many ways contradicting this trend…public expectations continue to grow in terms of private enterprise playing a larger role in tackling some of the most intractable social and environmental challenges facing individual countries and the global community” (p. 3). What this is saying is that the desire for social change is what encouraged the creation of social entrepreneurship. Karamchandani et al. (2009) explain the reason for this might be because people believe that small enterprises are more likely than large corporations to lead the development of market-based solutions in low-end markets.

Sargeant and Wymer (2007) state that the term social entrepreneurship was first seen in scholarly literature in the 1970’s regarding social change and value orientations. It was not until the 1990’s that business academics and practitioners began fully integrating the term (Sargeant & Wymer, 2007, p. 222). During this time social entrepreneurship began to be seen as a legitimate practice. This was exemplified in 1997 when Michael Young, a prominent thought leader in the field, established the School for Social Entrepreneurs. However, it was not until 2006 when Muhammad Yunus won the Nobel Peace Price for social entrepreneurial practice that people really took the field as a serious development actor. Following Yunus’s award, social entrepreneurship was recognized in several different publications, including the Journal of World Business and Oxford University Press, which further indicated the legitimization of social entrepreneurship as a field of academic study.

It is important to recognize that the specific social innovation Yunus implemented was micro-credit. Specifically, “he provided micro-credit to people previously denied access to funds through traditional banking systems, thereby providing an innovative model for impacting positively on the lives of people living in extreme poverty” (Sargeant & Wymer, 2007, p. 222).
Micro-credit is an example of one type of social entrepreneurship. With social enterprises being a relatively new practice, there are still a variety of definitions and explanations for what a social enterprise is. Maretich (2010) states that by

Acknowledging the diversity within social enterprises, moving beyond the definitional debates and recognizing particular sub-types for what they are, will allow a more nuanced understanding of particular types of social enterprise, and the differences and similarities amongst and between them to emerge. This in turn will help in identifying more clearly areas of commonality with different types of conventional/commercial enterprises, and in identifying opportunities for the effective transfer of knowledge from business literature. (p.18)

In the following section, I will discuss the literature related to these definitions as well as present the sub-types, one of which will include micro-credit.

2.2.b  What is a Social Enterprise?

As previously stated, social entrepreneurship is a relatively new practice and there are many definitions of social enterprise. Currently, no standard definition actually exists (Maretich, 2010; Nelson, 2004). Nelson (2004) explains that “one of the key challenges in studying and implementing responsible business practices is the lack of commonly agreed definitions and approaches, resulting in insufficient empirical analysis of what works and what does not, and in the blurring of boundaries between a number of related fields and terms” (p. 6). However, maybe it is possible to not have one single definition or business model.

Maretich (2010) argues that with the emergence of social enterprises the distinction between the nonprofit and the for-profit world has become blurred. However, there are many ways that business can work to help social issues, and the lack of a full and complete definition
of what a social enterprise is has hindered the ability to gather information, communicate learning and establish useful models or best practices. However, today’s world of complicated and integrated problems dominated by the feeling that there is a lack of solution by current policy makers (Nelson, 2004), there is a need to integrate different stakeholders to come up with new and innovative solutions. Nelson (2004) explains that the current challenges our world faces are too complex for one sector to tackle. The resources, people, and skills necessary to solve these issues are dispersed among a variety of sectors. This is the case for whether it is managing homelessness in New York City, affordable health care, or HIV/AIDS in Africa. In order to mobilize the needed skills and resources, there needs to be a multi-stakeholder alliance between business, governments, and civil society (p. 24). Recognizing that there are many different ways business can affect social change allows for the breakdown of sub-types and a range of working business models. Maretich (2010) has identified the following as possible subtype categories.

1. Are led by a social entrepreneur, applying entrepreneurial solutions to solve social problems
2. Grow up within or alongside charities, usually with the purpose of supporting the charity through trading activities
3. Trade extensively with the public sector
4. Are private sector businesses with a social purpose
5. Form part of a broader, integrated program for social benefit
6. Share a legal form recognized in individual countries as social enterprise (p. 7)

However, Maretich does state that there is a common denominator in social entrepreneurship research, which is the creation of social value. Nelson (2004) agrees by stating that a great company, or social enterprise, is one that creates new value and viable business propositions that
serve the interests of society by considering social and environmental risks as well as opportunities.

Overall the literature states that a social enterprise is an organization seeking market-based solutions to social problems (Thompson, 2006; Dart, 2004; Miller, Grimes & McMullen, 2010). Specifically, Miller et al. (2010) explains that a social enterprise addresses social issues by employing market-based solutions. A social issue is defined by “a putative condition or situation that is labeled a problem in the arenas of public discourse and action [e.g. poverty, illiteracy, unemployment]” (Miller et al., 2010, p. 618). Furthermore, these market-based solutions are meant to create social benefits, which are defined as “a solution to a social problem that accrues to society or a targeted segment of the population” (Miller et al., 2010, p. 618).

Several organizations using this model are discussed in Thompson and Doherty (2006): one, for example, is Trade Plus Aid (TPA). Twenty-five-year-old Charlotte Di Vita started TPA in 1992 with the intention of helping farmers in Ghana buy seeds. Di Vita’s initial investment was 800 pounds to secure seeds for the upcoming crop season in exchange for 800 pendant-size carvings made by the farmers. She was able to find a market for these pendants in a Japanese mail-order catalogue. The project’s success caused her to expand the project to several locations. “In 13 years Di Vita’s efforts have enabled over $5m to be returned to producer communities around the world—Africa, South America, and Far East—in payment for their handicrafts” (Thompson & Doherty, 2006, p. 368). Social enterprises like TPA are acknowledged by their goal to create social value, such as creating sustainable farming through the sale of handcrafted goods, through market-based approaches (Miller et al., 2010). Karamchandani et al. (2009) argues that market-based solutions, such as this, are twofold: “they actually drive sustained improvements in people’s lives and livelihoods, because individuals are making their own choices and taking responsibility for their lives rather than becoming dependent on aid.
providers” (p. 18). While the TPA model has proven to be successful, one can see how it is significantly different from the one seen in Grameen Bank, another successful model. Specifically, the Grameen business model is known as micro-credit.

Ahlin and Jiang (2008) claim that micro-credit is one of the most significant innovations in development policy in the last twenty years; “This movement can be defined as the extension of small amounts of capital to poor borrowers throughout the world, meant to facilitate income-generating self-employment” (p. 1). Ahlin and Jiang provide an insightful distinction between micro-credit and other forms of social entrepreneurship, such as TPA. They explain that micro-credit increases access to self-employment but not entrepreneurship. The distinction between self-employment and entrepreneurship is important to understand for large-scale development endeavors. “Entrepreneurial activities are assumed to require a relatively large scale of capital and employment of wage laborers, while engaging in self-employment requires capital and only one's own labor. The latter provides a fitting description of many activities funded by micro-credit” (p. 2) Thus micro-credit is modeled as a pure but limited improvement in the credit market (Ahlin, 2008).

Several other sub-types of social enterprises are exemplified in Taylor et al.’s (2010) Kenyan case study on how social enterprises have affected the poverty situation in the region. Kosgey (2008) found that, “In Kenya these enterprises provided 78% of total employment and represented over 57% of new jobs created in 2005/6. They are recognized as the foundation for further strengthening of the economy” (as Cited in Taylor et al., 2010, p. 8). However, more than 80% of these enterprises are functioning outside the formal economy, which further supports Sen’s argument that GDP is not an accurate indicator. Examples of these enterprises are the Keyo Women’s Group and Kakamega Environmental Education Program (KEEP). The Keyo
Women’s Group was established for the purpose of making high-quality cooking stove liners for the reduction of fuel-wood consumption. In addition, the group has provided employment opportunities that in turn have created sustainable income and improved living standards, while in contrast KEEP is run fully by volunteers. KEEP is a community-based organization that is formed to preserve the last area of rainforest left in Kenya. Current projects include environmental education, replanting, and eco-tourism, as well as several others. “The enterprises have grown out of the realization that education about the forest is not enough, and enterprises that use the forest sustainably can provide the community with alternative lifestyles…The organization directs most of its budget to designing, implementing, and up scaling projects” (Taylor et al., 2010, p. 11). While members are volunteers, they benefit from new skills and knowledge, as well as benefit from opportunities to travel and network. These benefits make working for KEEP an attractive option. Through Taylor et al. (2010) study of Kenyan social enterprises, one can see how each business model was built differently with a variety of organizational structures, ways of working, and visions of future opportunities and challenges. But despite these differences, there are consistent trends that allows us to categorize them under the same category of social enterprise: using business models as a way to solve a particular social problem.

Several social enterprises work within the retail industry to solve other social issues. This was seen in the TPA example. TPA uses handcrafted goods to generate sustainable income. This project proved to be very successful. Yet where my project differs is that I will mainly be working with women. Therefore it is important to look at social enterprises that focus their attention on women. What the research shows is that handmade crafts not only generate profit in
a global market, but also encourage women’s empowerment (Scrase, 2003; Grieve, 2008; Szala-Meneok & McIntosh, 1996).

Grieve (2008) studied Eleanor Roosevelt’s use of handcrafted goods to solve the social problems in the Appalachian mountain region. Roosevelt established the Southern Highland Handicrafts Guild, which created a market for mountain crafts in the region. She explained that there was a ready market among the urban middle-class consumers who were looking to be connected to the products they were buying in a personal way, and were affluent enough to do so. Furthermore, Roosevelt saw craft production as a means of reinstalling beauty in the machine age, and providing an outlet for the fundamental human desire for creativity. Specifically, she saw an avenue for women to contribute to the household income.

“She recognized the aesthetic value of the arts and crafts for America’s rural poor, especially women. The handicrafts industries are not entirely suggested for what they might do in supplementing income, but as some work does not satisfy the creative instinct that lies in practically every human being, there handicraft industries may serve to do so”. (Grieve, 2008, p. 170)

While women may be shunned from many economic opportunities, working within the craft industry is a way for them to contribute without having to battle cultural norms. A similar scenario is seen in Szala-Meneok and McIntosh’s (1996) study in the fishing villages of Newfoundland, Canada.

Szala-Meneok and McIntosh’s (1996) goal was to explore the role of craft production and its influence on Labradorian women’s ability to earn an income and contribute to the local cash economy. What Szala-Meneok and McIntosh (1996) found was that “crafts have also become an important and satisfying hobby. Although there are not many private craft businesses, women continue the tradition of supplementing the household income through crafts production” (p.
In addition, they found that the struggles Labradorian women face are similar to ones faced by women in underdeveloped countries. Specifically that, “They must negotiate a new sense of their femininity and determine how they will fit into their local communities if they choose to diverge from more traditional patterns of using crafts to supplement their domestic work” (p. 259). As seen in many rural developing countries, there are many cultural and social barriers that prevent women from being a part of activities outside of the domestic sphere (Szala-Meneok & McIntosh, 1996; Grieve, 2008). However, hand-crafted goods may offer a solution to overcome this potential obstacle.

Scrase (2003) explains that craft production is an important industry for the employment of women. However, he also states that, “Comparative research reveals conclusively that women lack control over the distribution and marketing of crafts, [which] exacerbates their inequality within the industry” (p. 451). Furthermore, while craft production and sales can offer an important opportunity for many rural people, especially women, Szala-Meneok and McIntosh (1996) reveal several barriers to the development of the craft industry within Labrador that are also seen in rural communities in the developing world:

1) Marketing. Artisans’ ability to find a market for their products is a main and central issue inhibiting success. In addition, many individuals lack the marketing skills required to fully participate in this sector of business.

2) Training. Currently training programs tend to concentrate on skills development of the specific craft, while there are limited training opportunities specific to the business side of craft production.

3) Product development and design. Isolation of rural communities create barriers for crafts people because it limits their ability to access a ready market as well as new craft designs, innovations, or producers. In addition, high travel costs and weak communication networks
hinder artisans’ ability to gain exposure to developing trends, evolving business technology, and adequate supply of raw materials.

4) Social and cultural barriers. This includes gender and level of education. As Scarse (2003) states, “Craft workers tend to have little formal education, are rarely organized and so are subject to a range of exploitative work conditions like poor safety, low wages and lack of formalization of their craft skills. Needless to say, it is the opportunist middlemen who exploit these precarious labor conditions to their financial benefits” (p. 452).

Therefore, for an artisan-based social enterprise to be successful and to generate a high level of well-being, as well as increased economic opportunity, it needs to offset these conditions. Some researchers believe that fair trade is one way to do this (Smith, 2013).

Smith (2013) argues that the fair trade movement was a response to the failure of the current capitalist system. He explains that right now trade does not facilitate the creation of sustainable livelihoods for the Global South, nor does it offer opportunities for them to develop. Those involved in fair trade understand that the current trading system further marginalizes the developing world, making them more vulnerable than they already were, and subsequently further limiting their freedoms and choices (Smith, 2013). Utting-Chamorro (2005) states that fair trade is meant to offset this imbalance by bringing the consumer right to the producer. The model is based on the idea that small producers in the South can establish direct links with the consumers in the Global North. Lyon and Moberg (2010) support this claim by explaining that products sold under the fair trade label are meant to fill a retail niche of products grown and manufactured under ethical conditions, thereby rewarding their producers with higher return for their labor and leading to higher wages for better products. An example of a fair trade social enterprise is seen in Thompson’s (2006) study. Cafédirect’s mission is to reduce the inequalities of world trade by working with marginalized coffee farmers. Cafédirect defines a fair trade
enterprise as a “trading partnership based on dialogue, transparency and respect that seeks
greater equity in international trade. It contributes to sustainable development by offering better
trading conditions to and securing the rights of disadvantaged producers and workers—
especially in the southern hemisphere” (as cited in Thompson, 2009, p. 369). Currently
Cafédirect buys coffee from 34 different producers spread across Africa, the Caribbean, and
Latin America and is ranked the sixth largest coffee brand in the UK.

Overall, fair trade is meant to help disadvantaged communities gain access to the global
market without being exploited. For my project I will be creating a social enterprise that uses
fashion as a means to help those with HIV/Aids in Chiang Mai, Thailand. This group
experiences heavy marginalization and stigmatization that in many ways prohibits their ability to
find work. Therefore it is important to understand how their disease impacts these individuals
and how a social enterprise would be beneficial in supporting their ability to access economic
opportunity.

2.3 HIV/AIDS in Thailand

2.3.a Historical Context

The 1980s and 1990s mark the beginning of the worldwide HIV/AIDS epidemic. In July of
1996, it was estimated that 21.8 million people worldwide were living with HIV/AIDS, 20.4
million of whom were living in the developing world (Beyrer, 1998). Specifically in Southeast
Asia, in 1995 one million people (3000 per day) were infected (Beyrer, 1998). In order to better
understand HIV, one has to understand patterns of sex and drug use and investigate those who
are most vulnerable. In Thailand specifically, being involved with drugs and sexual activity
outside of marriage is shameful, therefore associating HIV infection with immoral behaviors.
This association leads to a high degree of stigma placed on people living with HIV/AIDS
(PLWHA), which then devolves into discrimination.

The Thailand HIV/AIDS epidemic started approximately twenty-five years ago, and was characterized by a slow growth in the mid-1980s followed by an explosive spread at the beginning of the 1990s (Jongsthapongpanth & Bagchi-Sen, 2010). While HIV/AIDS began spreading in America in 1981, the first case was not seen in Thailand until 1984. During this time period, the disease was labeled as a gay-related immune deficiency (GRID). For this reason, it was seen as a Western problem. This was not challenged in 1984 because the first case of HIV/AIDS in Thailand was a gay Thai man who had been living abroad with his foreign gay lover. Therefore, this case was seen as “a spill-over of the gay epidemic in the West” (Beyrer, 1998, p. 20). However, this changed in 1985 when the second case of HIV/AIDS was diagnosed in connection with a 20-year-old gay man who had never lived abroad. This marked the beginning of the first wave of infections.

The HIV/AIDS epidemic in Thailand can be broken down into five waves of infected populations. The first wave of diagnosis was found within the male sex worker population. This caused HIV to spread among gay sex workers, their clients, and their clients’ other partners. At this point, it was not a cause of concern for the general population, because it was still widely believed that HIV/AIDS was a gay-related disease. This changed in 1988, however when the second wave hit.

Before 1988, 0-1% of all injecting drug users (IDU) in Thailand were HIV positive; however, by August of 1988, 32% of IDUs were infected. IDUs were connected throughout the country, and in a matter of months, needle sharing infected one third of Thailand’s IDU population. As a precaution, the Thai government set up a surveillance system to track the disease. Starting in 1989, sentinel groups like sex workers, soldiers, and injecting drug users...
were screened for HIV every 6 months; this helped track the third wave of infections: female sex workers (FSW) (Beyrer, 1998).

In 1989, infection rates among FSWs in the northern region of Chiang Mai went from 1 to 44% infected within six months. By 1991, 5% of all Thailand’s FSW’s were HIV-positive (Beyrer, 1998). The reason for such a drastic increase in the north is economically rooted. Northern Thai tradition holds that daughters are responsible for supporting their families. However, they often lack the education and skills necessary to compete in a developing economy, and therefore they end up working as commercial sex workers. Their lack of status limits their ability to have power over their bodies and insist on using condoms, which caused the disease to spread at an alarmingly high rate (Beyrer, 1998). The third wave of those infected now involved the women themselves, their clients, and their clients’ other sexual partners, which brings us to the forth wave.

The fourth wave of infections was found in heterosexual men, among farmers, soldiers, students, fathers, husbands, and sons—in other words, all the people who use FSWs. It was estimated that 25% of the Thai male population visited prostitutes (Kittikorn et al., 2006). Beyrer (1998) explains this as a classic epidemiologic situation: a highly exposed and heavily infected core group interacts with a much larger population. The final wave was the girlfriends and wives of the men infected from the fourth wave. The fourth and fifth waves mark the virus moving out of the brothels and into the homes (Beyrer, 1998). Through tracking the disease, one is able to see that the widespread epidemic in Thailand was driven largely by sex workers and drug users (Jongsthapongpanth & Bagchi-Sen, 2010; Li et al., 2014; Churcher, 2013). However, this comes into direct conflict with traditional Thai values. The following section will look at the concept of saving face and female sexuality, and how these two cultural values led to high amounts of stigma being placed on the people living with HIV/AIDS (PLWHA) in Thailand.
2.3.b Cultural context

In Thailand, it is not polite to talk about or acknowledge things that may shame a person and/or their family. Kittikorn et al. (2006) explains that Asian cultures function to protect the honorable standing of the family through the process of “saving face” (p. 1287). Therefore, the study of HIV/AIDS in Thailand means going beyond “cultural” standards and ideals of sexual behavior to study actual practices (Beyrer, 1998). Thus, while social codes of conduct may be adhered to in public, and loss of face is a compelling social control, Thailand has always allowed for a considerable degree of autonomy in people’s private lives. This relative sexual freedom, at least for men, appears to have survived until today (Beyrer, 1998, p. 27). Therefore, while in Thailand drug use and sexual promiscuity are looked down upon, based on how quickly the spread of HIV occurred, it is clear that perceived practices were not consistent with practices occurring in real life.

Understanding the cultural norms of women’s sexuality is important in order to fully comprehend HIV/AIDS stigma. As Kittikorn et al. (2006) explains, “Thai women’s sexuality remains a sensitive issue and continues to determine whether a woman is perceived in Thai society as a good or bad woman” (p. 1287). Therefore, if it is learned that a woman has HIV/AIDS, based on how the disease is spreading, she may be perceived to be promiscuous, or even a prostitute. Consequently, in conjunction with the value of saving face, family members may be motivated to deny the AIDS status to non-family members in order to save face and maintain cultural harmony (Killikorn et al., 2006). Thailand’s cultural value of saving face, as well as the standard Thai view of appropriate sexual behavior, has influenced how the Thai government shaped its education campaigns to combat the HIV/AIDS epidemic. Fordham (2004) states, “From the beginning of Thailand’s AIDS-education campaign initiatives, HIV infection was portrayed as a function of individual moral failure, as well as a failure to adopt the state-
promoted model of correct health behavior” (Dedman, 2015). This type of media has had a serious impact on how HIV/AIDS is perceived. The following section will look at the stigma associated with HIV/AIDS and the effects it has on PLWHA.

2.3.c Stigma of People Living With HIV/AIDS

Stigma is socially constructed and is attributable to cultural, social, historical and situational factors (Kittikorn et al., 2006; Li et al., 2014). Ramakrishna and Somma (2006) present health-related stigmatization as a social process that is characterized by the exclusion and/or rejection, blame or devaluation of a person as a result of an experience or reasonable anticipation of a negative social judgment about a certain group of people (as cited in Hasan, 2012). Genberg et al. (2009) states that “historically, illness most likely to induce stigmatizing attitudes are those characterized as difficult to conceal, disruptive or intrusive to daily living, manifested with disfiguring or visibly displeasing qualities, incurable and progressive, and with a high propensity for transmission” (p. 2279). Many of these qualities can be attributed to the varying stages of HIV/AIDS. Therefore, to define stigma within the context of AIDS, I will use Kittikorn et al.’s (2006) definition: “AIDS related stigma is prejudice, discounting, discrediting, and discrimination directed at people perceived to have AIDS or HIV, as well as the individuals, groups and communities with which they are associated” (p. 1286).

Churcher (2013) argues that there are two levels of stigma, the macro level and the interpersonal level. At the macro level, factors influencing stigma include cultural and religious values as well as the community understanding of HIV. This relates to the previous discussion of saving face and female sexuality. The belief that HIV is a disease that is spread through prostitution creates a direct conflict with Thailand’s cultural value of women’s sexuality and thus turns those with the disease into a target for blame. At the personal level, stigma leads to “self-blame, negative self-image, and loss of social status” all of which results in shame (Kittikorn et
al., 2006, p. 1286). The way stigma spreads and is maintained is through gossip, verbal abuse, and distancing from individuals living with HIV and AIDS (Liamputtong et al., 2009). Overall, the source of HIV/AIDS stigma is ignorance, a lack of accurate information about HIV/AIDS and misunderstanding about HIV transmission.

One of the causes of stigma in Thailand stems from an awareness campaign conducted during the initial epidemic. The original media campaigns included graphic pictures of HIV patients with skin deformations that resulted in fear of people with HIV, as opposed to fear of the actual virus. Liamputtong et al. (2009) explain that,

“Although the initial mass media campaigns in Thailand acted as an effective buffer against high rates of transmission, the campaigns also created fear of AIDS amongst Thai people. The aggressive campaigns have created a continuing sense of stigma that Thai people attach to HIV/AIDS” (p. 867).

People were no longer able to hide because the campaign outed them as HIV positive. This, in conjunction with rumors of how HIV was transmitted, manifested itself in discrimination, which occurs when an individual is treated unfairly due to the perception that she or he is deviant from others or potentially dangerous due to false information (Liamputtong et al., 2009). This has serious ramifications, specifically within the work place. The following section will look at the economic effects that stigma and discrimination has had on people living with HIV/Aids (PLWHA).

2.3.c Job Loss and Economic Stress

Stigma and discrimination significantly restrict PLWHAs’ ability to find work and/or make enough money to support themselves as well as cover the additional costs of the disease. As previously presented, associated costs include: insurance coverage, tests, medication, and transportation to and from the hospital, as well as full days of pay lost due to time spent at the
hospital. In Thailand, large firms, factories, and organizations require blood test results before hiring; therefore, HIV positive or AIDS-diagnosed patients are often rejected from employment (Jongsthapongpanth & Bagchi-Sen, 2010). Several studies have noted high degrees of job loss due to HIV infection (Liamputtong et al., 2009; Jongsthapongpanth & Bagchi-Sen, 2010). In a study that Jongsthapongpanth and Bagchi-Sen (2010) conducted in the Chiang Rai region, 60% of participants noted job termination or loss of income as the most critical impact of contracting HIV/AIDS. Liamputtong et al. (2009) conducted several interviews that exemplify discrimination seen in the work place. Specifically, the following stories illustrate the cycle of how misinformation creates stigma, which results in discrimination:

Isara was working in a jewelry shop, and after her employer learned that she had HIV, she was told to leave her job. They were afraid that she would pass on the disease to her customers... Pacharee too was ordered to leave her job as a hairdresser in a town outside Bangkok. She was informed that if the customers knew about her HIV status, her employers might lose their customers. When she applied for jobs at other shops in that town, she was told that they did not need any new workers. Pacharee eventually had to move to Bangkok where people would not know about her illness. (p. 865)

Different groups within the PLWHA community are affected by this loss to varying degrees. Specifically, the migrant community is left with very limited options.

In Churcher’s (2013) study, he explained that in many cases unregistered migrants had to pay out-of-pocket for medication and other health related services. It was even found that in some provinces, migrants were denied antiretroviral therapy (ART). This caused migrants unease about seeking treatment. “Other issues complicating decisions to seek healthcare included fear of arrest for not having proper documentation, loss of work to attend appointments, transportation
issues and the inability to pay for fees” (Churcher, 2013, p 18).

Overall, the literature demonstrates a clear need for economic support for PLWHA in Thailand. This is a driving factor for why I chose to do my project on this issue, within this community. However, before looking at my project, I believe it is important to look at enterprises that have proven to be successful. As previously discussed, enterprises come in different shapes and sizes; however because social entrepreneurship is a recent development, few have grown large enough to receive recognition as well as produce observable data. However, ones that have are important to note. The following section will look at two different case studies: The Grameen Rural Bank and the Kallari Cooperative. These studies are meant to create a clear picture of the possible range a social enterprise can have, as well as identify how and why they were successful.
CHAPTER 3: CASE STUDIES

3.1 Case Study 1: The Grameen Rural Bank

3.1.a Cultural Context

Bangladesh, where the Grameen Rural Bank (Grameen) was founded, is located in south Asia with India to its west, north, and east and Burma to its southeast. Currently Bangladesh is one of the world’s most populous countries, both in number and in density, with over 160 million people residing within its borders. In regards to education, Bangladesh has a low literacy rate of 57% (UNICEF, 2013). For women this rate is even lower, which can be attributed to the fact that for women education is considered irrelevant (Hashemi, Schuler & Riley, 1996). This can be attributed to the subordination of women that is deeply rooted in the society’s culture. This is even truer in the rural poor areas of the country.

Hashemi, Schuler and Riley (1996) explain that for the poor in rural Bangladesh, systems of caste, patriarchal hierarchy, and purdah (the practice ofexcluding and protecting women to uphold social standards of modesty and morality) create an atmosphere that condones the isolation and subordination of women (p. 636). These systems, along with lack of education, have made it so women are socially and economically dependent on men. In addition, women rarely leave the immediate surroundings of their home. This significantly restricts their ability to earn money and gain any form of independence.

The rural subaltern societies of Bangladesh are agricultural based. Decades ago families were self-sufficient and lived off their land and did not find reason to leave their village. In 1996, when the Grameen Bank was founded, mobility was still very limited, but it was no longer the case that all agricultural based families could be self-sufficient. In fact very poor families were
reduced to selling their homestead, the roof, the house posts, and even their cheap cooking pots to survive illness, job loss, injury, natural disasters and other untimely crises (Hashemi, Schuler &Riley, 1996). While it has become harder for families to live off the land it is still the case that rural villagers, particularly women, rarely walk many miles from their neighborhoods. This lack of mobility is a sign of the poverty syndrome, as well as significant barriers put up between genders (Auwal, 1996).

In regards to communication, in 1996 it was solely based on word of mouth. Radios were few and far between and mass media and telephones were essentially nonexistent (Auwal, 1996). This is important to understand when looking at the Grameen system because cultural context affects implementation strategy. Therefore it is also important to point out that Bangladesh is ethnically homogeneous, with 86% of the population being Muslim and 12% being Hindi (Auwal, 1996). This is crucial to understanding Grameen’s success. This is because this project works on the basis of cultural context. This is exemplified in the way the program uses familial and community relationships to enforce payment. Yunus took into consideration the importance of these relationships and recognized that they could be used as reinforcement, rather than taking collateral. Therefore when initiating projects that are inspired by the Grameen model it is important to recognize this. This section next will look at Muhammad Yunus, the founder of Grameen, in order to understand his vision and intention when creating this enterprise.

3.1.b Background

Many people attribute the success of Grameen to the innovative vision of the founder Muhammad Yunus (Sargeant & Wymer, 2007; Auwal, 1996). Yunus was born in a village in Benegal in 1940. He was one of 14 children, 5 of whom died in infancy. His father was a successful jeweler and always encouraged Yunus to pursue higher education, while his mother always encouraged helping the needy. These two influences led Yunus to pursue a career as an
economics professor. This career opened his eyes to the inequalities of the world. Realizing that there was something terribly wrong with the economics he was teaching, Yunus decided to take things into his own hands. He started by lending a small amount of money to a group of basket weavers. He found that it was possible with this small amount of money to not only help these women survive, but also help them access resources that would enable them to pull themselves out of poverty (Grameen Bank, 2015).

When Yunus dreamed up the Grameen model he wanted an organization that would give the poor a fair chance to compete in the market place, as well as provide them with the resources to take care of themselves. Yunus believes that the cycle of poverty is a product of the current economic structure. For a person to receive a loan, they need to be literate and have property that can be put up for collateral. However, a significant percentage of the population owns less than an acre’s worth of land and is illiterate. This proves that access to money is limited within a certain group of people. Yunus’ idea of capitalism is that, “it is not the ‘free enterprise’ which is the essence of capitalism. It is the freedom of individual thought and freedom of individual action which is the essence of capitalism” (Auwal, 1996, p. 31). Therefore, under the current banking system, this freedom of thought and action is denied to the poor by requiring things they do not have and cannot obtain. This is a consequence of poverty. Therefore, if poverty limits a person’s freedom of thought and action, and credit has the ability to alleviate this denial of rights, then credit should be defined as a human rights issue (Auwal, 1996).

Yunus believes that most conventional development projects, funded by foreign aid, are not addressing the underlying economic issues and therefore fail to help the poor. He states that foreign aid turns into charity, and that is not what the poor need. If this money was allocated towards credit programs, then those receiving the credit would be given the opportunity to invest and compete with their financially better-off peers (Auwal, 1996, p. 30). Yunus does not want to
just give the people of Bangladesh money; he wants to give them the resources to make positive changes in their lives. This is what he defines as human development. Specifically, “Yunus defines human development as the eradication of poverty and hunger, and the creation of positive changes in the lives of the bottom 50% of a population as measured through socioeconomic status and overall quality of life” (Auwal, 1996, p. 30). To support this belief, Yunus integrated adult literacy classes, family planning services, environmental protection, health care and nutrition into the Grameen model. Overall, Yunus proved to be an innovative thinker who was able to establish an organization that has helped thousands of people raise themselves out of poverty. His hard work was recognized in 2006 when he was awarded the Nobel Peace Prize “for social entrepreneurial practice by providing micro-credit to people who had been previously denied access to funds through traditional banking systems, thereby providing an innovative model for impacting positively on the lives of people living extreme poverty” (Sargeant & Wymer, 2007, p. 222).

3.1.c The Grameen Rural Bank

Grameen began as a pilot project in 1976. Aunwal (1996) explains that “the goal of the project was to empower poor people to improve their socioeconomic conditions in an environmentally sound, sustainable manner” (p. 29). By 1982 the project was proven to be successful, and was extended to other areas and transformed into the Grameen Bank, “a specialized financial institution for the rural poor” (Sarker, 2001, p. 4). By 1996 Grameen was working with approximately two million people in over half of the villages in Bangladesh (Jain, 1196; Hashemi et al., 1996). It achieved a recovery rate of 98%, with their clientele being 95% women (Jain, 1996; Hashemi et al., 1996; Sarker, 2001). Grameen was able to achieve this by revising conventional banking practices by removing the need for collateral, and created a
banking system that is based on accountability, trust, creativity, and participation (Grameen Bank, 2015).

Many say that the main factor behind Grameen Bank’s success was the way it was organized and managed (Sarker, 2001; Auwal, 1996; Jain, 1996). There are two main aspects of the Grameen organizational model—the delivery system and the receiving system. At the receiving end, there are groups and centers (Sarker, 2001). “A center is a federation of several basic microorganizational units called groups” (Auwal, 1996, p. 32). Organizing groups began by finding participants. “People do not come to the bank; instead, the bank’s personnel visit villages to find potential members…informing them of its collateral-free credit opportunities (Auwal, 1996, p. 34)

Interested persons, people with assets worth less than an acre of land, were asked to form groups of five people who were of similar economic standing and who they felt they could trust. A group has to be either male or female, and can only have one member of a household and no relatives. In addition there is a mandatory savings requirement, and each woman has her own savings account and checkbook. Each group annually elects a chairperson and secretary so that each member has the learning experience of a managerial role (Sarker, 2001). Loan repayment and saving deposits are conducted through the chairperson with a bank worker at obligatory weekly meetings. The participants themselves decide how to use the loan. Hashemi et al.’s (1996) research showed that “in most cases the loans are used for self-employment activities such as paddy-processing, poultry and livestock, traditional crafts, and small trade” (p. 636). However, the loans are not given out immediately, and the delivery system of the loans is also significant.

Once a group is formed and the chairperson and secretary have been elected, it is kept under observation for a month by a bank worker. Then members must attend a seven-day
training session so that they understand the program’s objectives and the rules and regulations. Once the bank worker has decided that the members understand the values and operation of Grameen, the group is given formal recognition. Then two members are given loans. The average loan ranges between $75-100. If the two members pay their weekly installments during a 6-8 week observation period, then two more members will receive their loans, with the last person to receive their loan being the chairperson (Sarker, 2001; Hashemi, 1996). Sarker (2001) explains that while it is unusual in general banking practices to distribute loans without any collateral, in this case material collateral has been replaced by social collateral. When a member misses a payment, they have to feel the shame of it in front of the other group members. In Bangladesh, where social standing is very important, social collateral has proven to be very effective.

Jain (1996) identified several additional key components that contributed to the success of Grameen. These are:

1. Repeated supervision and crosschecks of field functionaries and performance
2. Make administration locally responsive to the problems of field functionaries
3. Clear communication and repeated explanation of the meaning and rationalization of the organizations policies.
4. Conceptual/ideological articulation of the significance of routine field-level task
5. Smooth flow of services to the field offices
6. Protection of field functionaries from external interference
7. Training and induction in the organizations unique work ambiance, to ensure coherence and dynamism in a large number of field functionaries
8. Boosting the self-image, pride in the task, and morale of field functionaries
Overall, Jain (1996) attributes the success of Grameen to the reliability in service delivery, demonstrable honesty, error-free performance, and continuous supervision and crosschecks by the hierarchy system ensuring that all bank functionaries performed their tasks as they are supposed to (p. 85).

3.1.d Reported Outcomes

Several studies have shown remarkable success generated from the Grameen model. For example, Salker (2001) found that in 1988 the average worker in rural Bangladesh was employed 6 days per month. However, after being given access to the Grameen credit initiative, their employment rate increased to 18 days per month. In addition, more than half of the women surveyed were able to pull their families out of poverty. This enhanced economic wellbeing encouraged women to get involved in a broad range of social development activities ranging from health and nutrition to increased use of family planning. Now that these families were able to acquire a sustainable income, they were less dependent on the rural elite. Another common trend was a decrease in domestic violence.

Ahmed (1985) found evidence that physical violence and other verbal abuse against women decreased as a result of Grameen bank activity (as cited in Hashemi et al., 1996). In Hashemi et al.’s (1996) research, a woman told the interviewer,

In the past my father-in-law would never stop my husband from beating me. But after I joined Grameen Bank he said to my husband “You had better stop beating and scolding your wife. Now she has contact with many people in society. She brings you loans from Grameen Bank. If you want to you can start a business with the money she brings!” (p. 649)

Overall, Hashemi et al.’s (1996) showed that decrease in violence, as well as many other aspects, were a result of empowerment.
Hashemi et al. (1996) explain that credit programs empower women by expanding their economic roles and giving them the opportunity to contribute to family income. Between the years 1991-1994, Hashemi et al. (1996) conducted ethnographic research of six villages in order to document the change in women’s role and status as a result of being a part of the Grameen Bank. First they identified eight empowerment indicators in order to evaluate these changes. These indicators were: “mobility, economic security, ability to make small purchases, ability to make larger purchases, involvement in major household decisions, relative freedom from domination within the family, political and legal awareness, and involvement in political campaigning and protests” (Hashemi et al., 1996, p. 638). Table 1 shows the results of these findings, specifically column one and three show a comparison of Grameen bank members and non-members.

<table>
<thead>
<tr>
<th>Table 1. Percentages and means of study variables by exposure to credit programs, married women aged less than 50, Bangladesh</th>
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<tr>
<td></td>
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<tr>
<td>Mean age (years)</td>
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<tr>
<td>Mean number of surviving children</td>
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<td>% with one or more surviving sons</td>
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<tr>
<td>% Ever attended school</td>
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<tr>
<td>% Poorer households</td>
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<tr>
<td>% Chittagong division</td>
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<td>% Dhaka division</td>
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<td>% Khulna division</td>
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<tr>
<td>% Rajshahi division</td>
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<tr>
<td>% Contributes to family support</td>
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<tr>
<td>Mean duration of credit program membership (years)</td>
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<tr>
<td>% Beaten by husband in the past year</td>
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<td>% Classified as empowered on:</td>
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<tr>
<td>Mobility†</td>
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<tr>
<td>Economic security</td>
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<tr>
<td>Small purchases</td>
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<td>Large purchases</td>
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<td>Major decisions</td>
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<td>Political/Legal awareness</td>
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<td>Protest/Campaign</td>
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<td>Freedom from domination</td>
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N of cases = 284, 232, 315, 394

*Standard deviation.
In addition, 74% of Grameen members said they used program loans to finance income earning activities that they were not involved in prior to joining the credit program. Many of these women used these funds to contribute to the family’s welfare. While the amount that most women were able to contribute to their family’s incomes was typically small, under conditions of extreme poverty this small amount of income can make a significant difference in their family’s well-being. Since these findings, many other countries have turned to the Grameen model. The following section will look at how the Grameen model has been adopted and molded to fit other programs to help alleviate poverty.

3.1.e Cross-Cultural Adaptation

The Grameen Model has been adopted by several other programs across the globe and has proven to be successful there as well. Grameen-inspired credit-based microenterprises have grown in over 70 countries with an estimated 200 programs in the United States alone (Auwal, 1996). Specifically, Auwal (1996) analyzed Good Faith Fund and Amanah Ikhtiar Malaysia as two projects that were modeled after Grameen and have been effective.

The Good Faith Fund (GFF) was established in 1988 by Governor Bill Clinton with the goal to develop the rural and economically depressed communities in southern Arkansas. Similar to Grameen, potential borrowers consisted mostly of women and were seeking credit to initiate self-employment opportunities through micro-business. There are several recognizable differences that GFF made to their model to have it suit their population’s needs. First, the group size is flexible. GFF groups can be anywhere from 6-8 people. Second, there are a variety of lending options ranging from three months to a year. Third, the GFF groups can be mixed gender, and finally there can be two family members in the same group. While the GFF did not
grow as quickly as Grameen, it definitely grew at a slow and steady rate. By 1990 it was operating in seven different southern counties of Arkansas (Auwal, 1996).

Many of these modifications were based on the societal differences in Arkansas versus Bangladesh. These same societal differences might also be the reason it did not grow as fast. For example, the population density in Arkansas is much smaller than in Bangladesh so to have gender segregation and no family members in the same group would have prohibited people from creating groups. In addition, the population is not homogeneous, and one of the requirements for people to form a group is that they trust each other and are of a similar mindset; this becomes more complicated when there is a wide range of cultures living within the same community. Finally, America is an industrialized society, which created limited availability and opportunity for self-employment.

The second project that Auwal (1996) looked at was Amanah Ikhtiar Malaysia (AIM). AIM was founded in 1987, and since then has distributed more than 600 million dollars in loans to over 260 thousand borrowers with an almost 100% return rate. While AIM adopted the Grameen model, they did so within the Malaysian social context. For example, the Malaysian people are for the most part Muslim, and therefore by integrating the Qur’an into their principles, they found that AIM was more relatable to the people. There is a verse that was commonly used that states “‘God will not change your fate until you work your way to change it yourself’—meaning your fate is in your hands” (Auwal, 1996, p. 42). Therefore, it is important to recognize both the economic issues and cultural factors when adopting models like Grameen. There are three important differences that AIM made when they adopted the Grameen model. First, in pursuance of Islamic principles, AIM charges a fixed management fee instead of a market-based interest. Second, AIM has coordinated its activities with the Malaysian government and various administrative bodies, and finally, AIM derives its model from the assumption that the
relationship between the rich and the poor is harmonious and that human development can be achieved without sociopolitical structural conflict (Auwal, 1996, p. 42).

3.1.f Critics

In 2006, when the Grameen Bank won the Nobel Peace Prize, microfinance, specifically microcredit, was highlighted as an extremely useful development tool (Ditcher, 2007). Suddenly, everyone wanted to be part of this development endeavor. According to the World Bank, in the years following Grameen’s worldwide recognition and success, there was an explosion of NGOs becoming involved in microcredit. Specifically, between 1985 through 2007 the numbers went from 13 to over 2000 (Ditcher, 2007, p. 193). However, because Grameen Bank had shown such positive results, no one fully questioned the model. While the Grameen Bank was remarkable and helped many people, with the growing number of replicated projects, critics of this model are saying we need to pay more attention to the details.

First, the question of whether or not this model actually is alleviating poverty needs to be examined. Ditcher (2007) argues that the pace of poverty reduction with microfinance is arguable slow. It is possible that the reason for this is that those who were receiving their loans are not actually using them to pursue profitable endeavors. In fact, Ditcher’s (2007) study concludes that no more than 50% of the loans people were receiving were being used in an activity to produce further earnings (p. 195). Instead, money was being spent on meeting household consumption needs, education costs, and medical bills. Therefore, for those who are not using microcredit in the way it was intended, it actually exacerbates their poverty, creating a cycle of debt. This claim is supported by Barkat’s (2007) research which a significant percentage of women borrowers were caught in a spiraling debt trap. Ditcher (2007) explains,
“The pace of poverty reduction in Bangladesh is slow (about one percent of people are being lifted out of poverty each year). Yet most NGO MFI’s continue to believe that millions of microfinance clients run productive entrepreneurial projects.” (p. 202). Overall Ditcher’s goal is to point out that microfinance is limited and those limitations need to be recognized.

Other critics say that there is a bias in the selection of the Grameen’s credit groups. This is because women who are already relatively more empowered are more likely to join a credit program than others who are not as empowered or are in a worse situation (Hashemi et al., 1996). Despite the fact that Grameen initiates a variety of programs, some believe that the focus should be on more holistic programs and approaches, such as non-formal education, social and political consciousness-raising, or political organizing rather than having the sole focus be on credit. It is believed that these initiatives will confront patriarchal power structures and give women the wisdom and confidence they need to stand up for themselves. While previously it was stated that credit programs do this, critics do not think it is enough of the focus. Furthermore, Hashemi et al.’s (1996) study found that in villages where Grameen had been in operation for over eight years, there was an increase in the number women who had lost control over their money and the enterprises funded by their loans. One possible explanation for this is that women lost control as time passed. Hashemi et al.’s (1996) concludes that in situations where resources and opportunities were extremely limited, men were more likely to re-allocate the women’s loans and incomes. This case study suggests that the women’s control over their money and enterprises was greater when the loans were used for projects that reflected women’s traditional roles around homestead-based activities.

This is further seen in Karim’s (2011) study. Because of societal norms and expectations, women are limited in their power and control of the funds they receive. This is seen in the following example:
An elderly widow told me that on the day she was returning home from the Grameen Bank with her loan, her nephew demanded that she hand it over to him. She added that he said, ‘Aunt, I know that you received a loan from the Grameen Bank today. I have need of money for my business, and as my aunt, it is your duty to give it to me.’ She explained that as a widow and as an aunt, it was her familial obligation to help her nephew. (Karim, 2011, p. xvi)

Karim (2011) further identifies four claims that Grameen Bank has made and then raises attention to key issues in these claims. The first claim is the celebrated success of the Grameen Bank’s 98-percent rate of recovery on loans. However, Karim (2011) explains that the rate does not make distinctions between loans that are repaid willingly and those that are coercively obtained. Furthermore, the way this percentage is framed is crucial in understanding how these techniques work on the ground level. Second, Grameen Bank’s clientele is 95 percent women. They claim that they have obtained data from working with these women that proves they are a solid investment risk for the international financial community. However, as previously states, while the women are the ‘official borrowers,’ but in many cases their husbands or male relatives are the users. Therefore, the researchers have failed to make the distinction between borrower and user, as well as “how being in the position of a loan recipient may have adverse consequences in the lives of women” (Karim, 2011, p. xxi) The third claim the Grameen Bank makes is that does not require any collateral from the poor as a guarantee for loans. However, as seen in the following example, this is not entirely true.

I had asked the female assistant manager at a Grameen Bank office the selection criteria used to identify potential members. She mentioned that before they admitted a new member, they made a detailed list of all saleable possessions: the number of pots, pans, beds, chairs, trees, chickens, etc., they owned. She continued, ‘Before we
give any loan, we make sure that we can recover our money. Why are you surprised to hear this? Grameen Bank is not a charity; it is a commercial enterprise.’ (Karim, 2011, xvi)

The final claim is that the women borrowers are also shareholders. However, Karim’s (2011) research found that between 1983 and 1999 the bank did not issue dividends to its shareholders. In addition, none of the Grameen participants even knew what it meant to be a shareholder, nor that as a shareholder they were entitled to shares of the bank.

Overall, the Grameen Bank was a remarkable project and an innovative idea that has been globally recognized. However with its booming success it became the solution to development. However, what Ditcher (2007) points out is that microcredit is limited and cannot be seen as the sole solution to poverty. Development actors need to continue to take multiple factors into consideration and analyze when this model should be used and when it should not.

3.1. Conclusion

While The Grameen Rural Bank has become very influential within the micro-finance industry, it is important to recognize its limitations. While Studies have concluded that those who are involved with microfinance and microcredit programs see beneficial and sustainable change in income, mobility, education, immunization rates, housing, and sanitation, it has also been seen that those who are not in a position to fully take advantage of profit-making schemes with the loans may get trapped in a debt cycle. In addition, Grameen Bank prides itself in working with the most marginalized and underserved community, rural women; however, it has been seen that sometimes women lenders may not be fully in control of the loans they are receiving. More attention needs to be paid to the cultural norms of their borrowers because while the women might be the ones receiving the loans, if cultural barriers have not been broken, it will be hard to manage who is in fact using the money distributed.
Overall, the Grameen Bank is an excellent example of how business can be used to address social norms. It is also a great representation of the fact that sometimes, with the noblest of intentions, there are unforeseen circumstances. While there may be shortcomings in the model, it has also helped thousands of people become financially independent. However, when comparing this project to Trashé Designs, it is important to note that the Grameen Bank is a huge organization that represents the pillar of many existing microcredit projects, while Trashé Designs is meant to be a small and intimate project. Therefore, for the following case study I will be looking at a much smaller social enterprise, the Kallari Cooperative.
3.2 Case Study 2: Kallari

3.2.a Introduction

The Kallari Cooperative is a fair-trade coffee and chocolate cooperative in Ecuador. The organization works with the Kichwa community, an indigenous group located in the Amazon. In Ecuador, the indigenous communities face systematic racism that restricts their ability to obtain social mobility through education and professional advancement (Roitman, 2008). This project is an effort to offset these imbalances by providing economic opportunities for this group of people. The major difference between this section and the previous one is that while living in Ecuador, I interned with Kallari. Therefore this section will include my personal account of the organization. This section will first look at the historical and current context of racism in Ecuador, followed by an exploration of the chocolate industry in Ecuador, and finish with an analysis of Kallari as an organization through my own personal experience working with them and interviewing their key staff members.

3.2.b Historical Context

When the Spanish invaded and officially colonized Ecuador in 1544, they changed the structure of society and influenced today’s racial hierarchical structure. The Spanish believed that the Native people were socially inferior and therefore needed help becoming civilized (Pena, 2005). This process of social and political domination was undertaken by forcefully organizing the Indians into corporate peasant communities, also known as haciendas. These communities existed on large pieces of land where the Indians could work. However, the elite owned these large pieces of land and the Indians were required to pay tribute. In addition, they were under direct supervision of Spanish royal officers and appointed members of the church, also known as the encomienda system (Pena, 2005).
Furthermore, the Spanish dominated the Indians with literacy requirements to vote. Essentially, the indigenous people’s inability to read and speak Spanish meant they no longer had any say in the government of their country. In fact, Martinez-Novó and Torre (2010) explain that “the majority of indigenous people were excluded from even basic literacy until the 1960’s and 1970’s” (p. 9). This is seen in the fact that in the early 1970’s, 70% of indigenous men and 95% of indigenous women were illiterate (Martinez-Novó & Torre, 2010).

After national independence in 1822, many still regarded the Indians as a problem. To many of the Ecuadorian elite, they represented a ‘savage otherness’ that presented an obstacle to becoming equal to a European civilization (Pena, 2005). In order to forge a white society, the Ecuadorian elite tried to create a national identity. This identity consisted of everyone being Mestizo. Mestizo is the term that represents mixed race (Peña, 2005; Torre, 1999). Therefore, everyone is part European. This ideology included the total dissolution of indigenous identities in favor of a new comprehensive philosophy: mestizos as the true citizens of the new nation (Pena, 2005). However, in establishing this national identity that everyone is the same, it in effect isolated those who were obviously different. This is proven in the Ecuadorian census of 2001 (Martinez Novo & Torre, 2010). When asked to choose an ethnic category, 77.6 percent self-identified as mestizo, 10.5 percent as whites; 6.1 percent as indigenous; and 5 percent as Afro-Ecuadorians (Martinez-Novó & Torre, 2010, p. 4) Torre (1999) states that, “the democratic, inclusive ideology of todos somos mestizos—everyone is mestizo…coexisted with the discriminatory ideology that points out that some are lighter mestizos than others, prefer the whiter to darker, and sees the consolidation of nationality in the process of whitening” (p. 97). This national identity therefore established the perpetuation of the racial hierarchy.

This ideology allowed the continuation of the exploitation of the indigenous people. Pena (2005) argues that despite official statements about equality, there were obvious distinctions
between the indigenous and non-indigenous culture and identity that were expressed in the bipolar opposition between indios and mestizos that was purposely reinforced to ensure cheap labor. However, as the world began to change, such obvious forms of social inequality, like the hacienda, were no longer acceptable.

The 1960’s marks the dissolution of the hacienda system in Ecuador. 1964 is when the official land reform occurred and indigenous people were officially recognized as landowners. The land reform was meant as an effort to establish more equal land rights and ownership between mestizos and the indigenous population. However, these land reforms were rather moderate because the land marked for redistribution was mainly in poor locations, had unusable soil, and overall was the land that the hacienda owners did not want anyway (Pena, 2005). While one can say that the land reform was a good effort in leveling the playing field, it can also be said that it was a rouse to make it look like there was equality when in fact the distribution was manipulated by political agendas and elite interests. Overall, the land reform, in conjunction with the imagined national identity, has created the appearance that a racial hierarchy no longer exists, when in fact it is still systematic. While many Ecuadorians may say that blatant racism is a thing of the past, the following section will contest this theory and illustrate how racism is still very much present within in Ecuadorian society.

3.2.c Racism and Social Inequality

Ecuador consists of three predominant races: Mestizo, Indigenous, and Afro-Ecuadorian. Despite these distinctions, the imagined national identity of everyone being mestizo has created the perception of “otherness” for those who are not mestizo. Torre (1999) explains that in most post-colonial societies, everyday forms of racial discrimination recreate the country’s history of colonial oppression. So when the hacienda system was dissolved, many indigenous families were faced with new economic hardships, because as stated earlier, their new land was not able to
produce the same amount as before. In light of their new situation, they were forced to seek economic opportunities in distant cities and adjoining towns. However, as they looked for work they were confronted with a tense coexistence with mestizo market intermediaries, authorities, educators, and vendors (De Zaldivar, 2008). Pallares (2002) states that the indigenous populations “were excluded from many employment opportunities, as towns and cities institutionalized a labor-partitioning system that assigned them the most menial and underpaid tasks” (p. 42). Torre (1999) argues that the reason for this is that when the institutions which uphold domination shift, those in the dominant group will try and reestablish the system as well as maintain power by denying others access to their spaces. However, in order to do this, the dominating power has to be able to justify it.

Many studies have shown that the dominant white-mestizo elites stereotype native people as dirty, lazy, uncivilized, and backward (Colloredo-Mansfeld, 1998; Torre, 1999, Pena, 2005). These stereotypes are reinforced through day-to-day interactions. For example, Colloredo-Mansfeld (1998) illustrates an example stating that, “when an indigenous woman wrapped in a shawl, speckled with barley chaff and drenched in the threshing-floor odors of crushed straw… places some grubby bills in the soap-chaffed hand of a white-mestizo shopkeeper, race manifests itself in the physical details of the encounter” (p. 186). Specifically, recent studies have shown that anti-Indian racism is prevalent in the educational system, which is impeding social mobility (Torre (1999).

In Lewis’s (2004) study, he states that schools do not merely produce children as racial subjects—they produce racial disparities in life outcomes (as cited in Roitman, 2008). Education allows people to break racial and ethnic barriers through social networking and increased job opportunity; however, in the current educational structure, these opportunities are limited to the mestizo community. Martinez-Novó and Torre (2010) explain that “despite education being one
of the main venues for social mobility, it is also one of the main mechanisms through which inequalities continue to be reproduced and naturalized” (p. 1). This is represented in the disparities of education level between mestizo and indigenous. For the mestizo community, the average level of schooling was 7.3 years, while indigenous people averaged 3.3 years (Martinez-Novó & Torre, 2010, p. 5). Furthermore, there are huge gaps in the continuation of schooling from primary to secondary education. Whereas 86% of indigenous were enrolled in primary education, only 22.7% reached secondary, in contrast to the 47% percent of mestizo children who reached secondary education (Martinez-Novó & Torre, 2010, p. 5). Even more disconcerting is the fact that for those who are attending school, they are segregated based on class and race.

Martinez-Novó and Torre (2010) state that inequalities in the school systems are based on the fact that children are required by law to attend their local public schools, and these schools are based on residential separation of race and class and consequently are not financed equally. Schools at the top are urban, private, elite, and cater to white and light-skinned mestizos. They emphasize the acquisition of a foreign language and provide an internationally recognized diploma that enables students to study in foreign universities. In contrast, schools at the bottom of the social and racial hierarchy are typically public rural schools or urban centers that mainly consist of poor students from a marginalized ethnic background. This is not to say that all students of a marginalized ethnic background are poor. However, the elite schools have put up certain barriers so that even indigenous families who can afford to send their children to a privileged private school may still not be able to do so. For example, many of the elite private schools give privileged admission to children of alumni. Children who are not related to alumni are asked to obtain written and verbal recommendations from someone who is already a part of the school community or is an influential person in society. This is one way that the schools
ensure that only those who belong to a certain social, ethnic, or racial category can get in. Even when indigenous families are able to overcome these barriers and manage to get their children into the most exclusive schools, their children may suffer everyday experiences of exclusion (Martinez-Novo & Torre, 2010).

For the few indigenous children who make it to the elite schools, they most likely will be made to feel invisible. In Martinez-Novo and Torre’s (2010) study, many non-white students provided narratives of how teachers ignore them when they raise their hands or how their voices are not heard when they talk. This is because they are within a system that is racially structured and teachers, administrators, and classmates have been raised to believe in this system. For example, according to Lydia Andres (2008), the elite schools do not teach about the ethnic and cultural diversity in Ecuador but instead associate Indians with something of the past and are therefore not presented as part of the modern-day nation. In fact, Martinez-Novo and Torre (2010) argue that “Latin American elite children learn to hate the indigenous, mestizo, and even the South American part of themselves. [This is because] post-colonial hierarchies have associated the foreign with progress and civilization, and the local with barbarism and backwardness” (p. 7). For this reason, elite white and mestizo children and administrators of these private institutions are confused and sometimes insulted when indigenous students enter their schools. In fact, they are even embarrassed to allow these indigenous students to represent their school in any way, afraid of being associated with them. In Martinez-Novo and Torre’s (2010) study, there are many examples of non-white students, who despite being the best in their class, are not chosen to represent their schools in contests, events, and other public arenas. Despite these obvious forms of racism, elites have acknowledged that with enough money it is possible for indigenous children to get into exclusive schools. “However, much remains to be
done so that Ecuadorian education fulfills promises of social mobility and greater equality” (Martinez-Novo & Torre, 2010, p. 20).

While education has the potential to play a very important role for social mobility, racism and discrimination still have the potential to prevent them from entering the labor market, or at least from advancing within their chosen field. This is because in Ecuador, discrimination is based on physical characteristics of looking indigenous. Many indigenous people attempt to integrate themselves into the mestizo community by changing their ‘look’. This can be seen in the high amount of students who receive plastic surgery in order to look more ‘white’ (Roitman, 2008). However, these students are also looked down upon. In Ecuador, those who attempt to be more western in order to seek social advancement are known as ‘Longo’ or ‘Cholo’. Specifically, the ‘Longo’ and ‘cholo’ are individuals who turn to seek western rather than Indigenous tradition. They are individuals who seek social advancement through the path of cultural mestizaje and, by moving beyond the distant anonymous ‘other’ of the indigenous, threaten to breach separations, whether economic, social, or ethnic. (Roitman, 2008, p. 16)

Those who are considered Cholos and Longos have overcome certain systematic barriers through their socio-economic status. However, because they still look indigenous, they are restricted in terms of who they can be friends with and where they can get a job. Therefore, in an effort to overcome this barrier, they try to fully become mestizo by changing their appearance, and for this they are also criticized. Regardless of their education, it seems that indigenous people are still being prevented from advancing in society, and even when they do, their indigenous appearance will always pose a barrier. For example, “a wealthy and famous Ecuadorian lawyer was cited as an example of importance of phenotypes. A man of ‘indigenous features’ was deemed a janitor dressed as a lawyer and as ‘forever the son of a labourer’” (Roitman, 2008, p.
There are several other examples that illustrate how discriminatory practices are being upheld in the labor market.

In Roitman’s (2008) study, he illustrates how discrimination on the basis of physical phenotypes is still a major issue within the labor market in Ecuador. One example of this is that all job applications need to include a picture of themselves. Furthermore, in an interview it was stated, “in my work…my boss would choose not to hire people simply by looking at them and deciding they were longuitos. My colleagues said that longuitos would make the group look bad… [and while] all the applicants had comparable educational credentials but that this governmental office…searches for white personal to have a good image” (Roitman, 2008, p. 23). Overall, Mestizos do not want to associate with indigenous people for fear that it will affect their image and consequently their status. Therefore, even when indigenous people are able to obtain an education, they are restricted from job opportunities based on their inability to overcome racial discrimination that is systematically in place within Ecuadorian society.

As a pre-colonial nation, images and perceptions of the indigenous culture have been ingrained into society. The Spanish crown imprinted the belief that White and European equals civilized and advanced while association with anything indigenous represents something backwards and predated. In the creation of an imaginary national identity, Ecuador established a bipolar dichotomy of white vs. non-white. In creating the belief that everyone is Mestizo, it in fact isolates those who are not. Even within the Mestizo community, there is a range of color prejudice from less white to more white. These physical characteristics make is so that certain groups stand out as being different or ‘other.’

This section has illustrated how racial discrimination is alive and well in Ecuadorian society and that it has created barriers for social mobility for the indigenous community. These barriers include access to education, restriction in participation, and inability to advance within a chosen
career. Overall, these barriers have established a need for change. The following section will look at chocolate as an export in Ecuador followed by how Kallari has developed a business model which uses its production in an attempt to solve these social problems for this demographic in Ecuador.

### 3.2.d Cacao in Ecuador

The cacao tree\(^1\) was domesticated in the new world somewhere between the Northern Amazon and Mesoamerica. The tree is found in tropical climates and requires even temperatures, constant moisture, and well-drained soil for growth (Grimes, 2009). There are two types of cacao that are produced in Ecuador: National cocoa and CCN51 (Collinson, 2000). The native cocoa bean of Ecuador is called “National” or “Arriba.” The word Arriba means “up”, and is believed to derive from the plant’s original origin, up river. This is represented by the many cocoa plantations that are located along the Guayas River. This river is important because it flows into Guayaquil, Ecuador’s largest city and export center (Caselli, 2013). The ‘National cacao’ is a variety that is only found in Ecuador and is very famous for its specific and fine aroma and flavor (Chocolate Tours, 2013). While it is the preferred bean, it is low-yielding and is mostly restricted to small and medium-sized farms. In contrast, the CCN51 is a high-yielding hybrid; it is grown on large-scale plantations and is used for mass production (Collinson, 2000, p. 7). While the taste of the CCN51 is not as distinct as the ‘National cacao’, it has an advantage over the last one as it allows farmers to produce more and therefore sell more. In recent years, there has been an increase in the world demand for more flavorful cacao and Ecuador has been able to fill this niche. However, before launching into a modern-day discussion of cacao, it is important to discuss its historical importance.

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1 The Cacao tree produced the cacao bean: the bean from which chocolate derives from.
3.2.e Historical Context

Unlike other Spanish colonies in South America where gold and silver were abundant, Ecuador was exploited for its cacao (Caselli, 2013). Cocoa has been an important plant in Ecuador for centuries. This is reflected in Ecuador’s history as well as the fact that Ecuador was the world’s largest exporter of cocoa until the beginning of the 20th Century (Caselli, 2013).

Cacao was part of the Columbia exchange in 1492 where products were cultivated in the New World and brought back to the old. The cultivation process was done through the plantation system which involved specializing in crops that demanded large amounts of labor and could be exploited for cash and exported to distant markets (Grimes, 2009). “High cocoa prices, coupled with abundant supplies of cheap labor and an infrastructure of rivers that connected the production areas with global export markets, gave rise to booming business” (Ton, Hagelaars, Layen, & Vellema, 2008, p. 25). This combination of qualities gave way for Ecuador to be one of the chief exporters of cacao for nearly 300 years. In fact, throughout the 1800’s, Ecuador produced over 30% of the world’s cacao (Grimes, 2009). However, in the early 1900’s, Ecuador’s cacao industry suffered from the creation of new British and French colonies across Africa and Asia as well as an outbreak of plant disease that killed a high proportion of their cacao trees (Caselli, 2013). Ecuador could no longer depend on the revenue from a single crop and therefore expanded their farms to produce bananas and coffee as well (Grimes, 2009; Caselli, 2013).

Another factor that further limited cacao trading was the First World War. It was not until after the Second World War that cacao production began to recover (Nelson & Galves, 2000). In the GAIN (Global Agriculture Information Network) Report of 2015, it was declared that “Ecuadorian cocoa production has risen over time due to the combination of better international prices, increased cultivation of higher quality/value fine aroma cocoa (regarding the ‘Arriba
variety”), and strong government promotion”. The following section will look at how these practices have influenced today’s cacao market in Ecuador.

3.2. The Struggle in Cacao Production

The GAIN report of 2015 gives a nice illustration of what the cacao market looks like today in Ecuador. It states an estimated 565,000 hectares of planted cacao nowadays. This is forecasted to grow to 650,000 hectares in 2016. From these farms, Ecuador made $775 million in 2014 from exports. A majority of the cacao exports are brought to the northern hemisphere with 42% going to the United States and 27% to the European Union. In 2014, Ecuador exported $236 million in cacao beans and $20.5 million in cacao paste and butter. This is 42% and 17% more than the previous year.

What is particularly important about the current cacao industry is who is producing it. Currently, small farmers (those working on one to five hectare farms) are responsible for 90% of cacao production. GAIN states “The majority of these farmers employ rudimentary, traditional production methods. The inability to access modern fertilizers, as well as crop protection products (i.e., insecticides and fungicides), often limits production output” (NA). Furthermore, the chocolate industry in Ecuador has a long supply chain that involves many middle-men. Collinson (2000) explains that there can be up to six intermediaries before the cacao beans can get from the farmer to the exporter. However, large growers are usually able to by-pass intermediaries and sell directly to exporters. This is because they have easier access to resources such as transportation.

Small landholders tend to be located in isolated and remote areas in comparison to larger landowners. In addition, the better lands, which are located in relatively flat areas, are occupied by previous hacienda owners (Nelson & Galvez, 2000). Nelson and Galvez (2000) explain that in
terms of physical capital access to transportation is the biggest issue for economic development for small landowners. In addition, access to credit has become increasingly difficult, which makes it almost impossible to achieve success within the industry (Nelson & Galvez, 2000). Overall, while small landowners make up the majority of the cacao industry, they are continuously held back because of lack of support, government intervention, and historical systematic oppression that results in inequality. The small-scale growers of cacao are at a disadvantage because of their lack of power in relation to intermediaries and the large corporations. There are many cacao growers who are often pitted against each other whereas the buyers of cacao are fewer in numbers and therefore are not in competition. As a result, cacao growers are ‘price takers’ and not ‘price makers’ (Grimes, 2009, p. 26).

In recent years there have been small shifts in the industry that may offer more opportunities for small cacao farmers. For example, up until recently, farmers have wanted to produce CCN51 because it grew faster, produced more, and had a known flavor. Chocolate producers have wanted all their chocolate to taste the same so they look for cacao that can be mixed from various places in order to standardize their product. Grimes (2009) explains that, “industrial production of chocolate emphasizes product uniformity, low-cost inputs, and an overall inexpensive price for the consumer. In this type of chocolate production, the origin of the beans and any unique taste or quality that they may have lost”(p. 26) However, in recent years there has been an increasing demand for organic and fair-trade cacao which not only is changing the industry; it is also helping to improve the income of small producers (GAIN, 2015).

Grimes (2009) explains that through the exportation of cacao there exists the ability to link distant regions of the world. However, up until recently there has been a “double disconnect” in this process. This means that,
most consumers of chocolate, located in the wealthy regions of the world, have never seen the plant from which chocolate is made and have very limited knowledge from where it comes. On the other side are the cacao growers in the tropical regions of the world, who have never tasted the product made from the raw material that they produce (Grimes, 2009, 23).

Through the rise of fair trade and socially conscious buyers, consumers in the West are more interested in knowing exactly where their chocolate is coming from. This is called single-origin chocolate (Grimes, 2009). Single origin chocolate, as opposed to mass-produced chocolate brands, makes it possible to connect the product to a single place of origin, which highlights its distinct qualities that make it unique (Grimes, 2009). In addition, single origin chocolates make it possible to not only trace where the chocolate was grown but also under what conditions. The Kallari Association is an example of a single origin, fair trade chocolate cooperative in Ecuador that is working to offset the imbalances within the industry and give the Kichwa indigenous community an opportunity to make a decent living. The following section will illustrate how Kallari is doing this as well as look at it as a social enterprise through my personal experience of interning with them in the fall of 2015.

3.2.g Kallari: The Story

Kallari is an association that represents the interests of more than 900 Kichwa families living in 22 communities in the Tena, Napo region. The founder of Kallari, Judy Logbak, came to Ecuador in 1997 as a young tropical biologist working for an environmental education program. It was her responsibility to interview parents and teachers within seven small isolated rainforest communities to find out how she could help them with conservation. As a social entrepreneur, she understood it was not her place to forge her own project based on her ideas; she therefore needed to ask the local communities what they would like to see happen and what they
thought would be in their best interest. The most popular answer was to help them increase their agricultural production, teach them how to improve their quality, and eliminate intermediaries. In the end, Logbak’s overall goal was to help them forge a direct link to international markets.

Creating a direct link to international markets would help eliminate the long line of middle men between Kallari and the foreign market, thereby allowing them to keep more of the profit. The Kallari Association supported the communities with many different activities, first within the industry of handicrafts. Overall the Kichwa people had grown tired of making such a meager living from such highly valued products (Santopietro, 2008). Therefore, the principal idea was to cut out the middlemen in the production process and supply chain so that the Kichwa families could add more value to their products and reach economic viability. Logbak (2010) explains that this task required the efforts of over a thousand artisans and growers from the community, as well as numerous foreign volunteers who provided the assistance in quality control, export, and marketing to promote sales in North America and Europe (p. 12). While they saw potential in this market, it was not the direction the community wanted to pursue. It was believed that expanding to a different industry, outside of handicrafts, might be more lucrative. Many community members stated that they wanted help navigating the industry of agriculture, specifically cacao.

As stated in the previous section, the industry of chocolate is evolving and there is a growing demand for single-origin chocolate. Logbak (2010) proposes that “Chocolate has emerged as the most powerful ally Amazon people have to save their rainforests, protect their cultural traditions, and provide for their family needs” (p. 12). With that being said, following their hard efforts working with handicrafts, Kallari’s next efforts focused on learning on how to make chocolate and create their own line of chocolate bars. After more than a decade of hard work, the Kallari Association of indigenous cacao growers from the Kichwa Nation are selling
their own brand of chocolate throughout North America and Europe. By forging this direct link, the farmers are receiving 100% of the wholesale profits, which has them earning five times more per pound for their harvest than they were in 2001 (Logbak, 2010). In addition, through the creation of the Kallari Cooperative, which is responsible for all processes of making the chocolate (collecting, fermenting, drying, classifying and exporting), further provided approximately 10 full-time jobs as well as various part-time positions for members of the community. Having the opportunity to be a part of a company that provides job prospects and the possibility of social mobility is a big step in the right direction for this community. This is not to say it has been without its challenges. Logbak (2015) explains that their “main obstacle was initially starting without infrastructure, an operating capital fund, consistent markets, and finding how to coordinate export logistics and overcome barriers to entry due to volume requirements, low pricing, complex exclusive agreements” (personal communication). Although they have transferred more of their energy from handicrafts to cacao, cacao to chocolate, and still continue to diversify into alternative arenas, those items continue to be their main obstacles regardless of the product, market, and region.

3.2.h Organizational Structure

Kallari is structured like a hierarchical organization, including a directive board, a president, vice-president, and an administrator. Kallari’s directive board consists of 15 community members, representing the interests of the Kallari communities. These 15 members are powerful people within their village, therefore giving them a significant proportion of the control. However, what makes Kallari distinct from other companies is the fact that the chocolate is owned by the Kichwa families living in the Napo region where the cacao is grown. Those families, and their respective family members, have the power to select the president and
administrator of the organization every two years. Thus, Kallari Association is a cooperative that is owned and run by its members.

From there, Kallari is divided into five divisions: production, industrialization, tourism, finances, and commercialization. The production and industrialization departments are responsible for the processing the beans into chocolate bars. The finance division keeps track of all expenses and revenues, while the commercialization department seeks out new markets as well as develops promotional material. Finally, the tourism division organizes and plans trips for tourists to experience the route of cacao. However, while everyone is assigned to his or her specific tasks, in the day-to-day business it is often seen that everyone works and helps out where necessary. This can be seen as both a positive and negative aspect. The positive is that everyone works together and is willing to help where they are needed; however, the negative is that people are not always aware of their role, and this can cause a significant amount of disorganization and lack of efficiency.

The structure of this organization has proven to be relatively successful and has received several positive reviews. The Kallari Cooperation has been discussed in popular sources such as *The New York Times* and *Forbes Magazine*. In addition, their success is seen through their annual revenues as well as their yearly growing number of clients and customers. Kallari has many smaller consumers buying chocolate in the coffee shop in Quito as well as within their 56 major clients such as Whole Foods, stores in Ecuador, or other fair-trade stores in Europe or the U.S. To gain an impression of the market size, in 2014, Kallari claimed an official profit margin of $530,000 (Logbak, 2015).

However, this number is slightly misleading because Kallari does not actually have a profit. This is because Kallari uses a pricing structure that pays a much higher price to the member families for their harvests and then sells the finished products with a slight 5-10%
margin. Generally, given the increasing costs due to their demanding customers, (better packaging, more organic certification control, higher requirements from Ecuadorian IRS service) and general inflation in Ecuador - means that Kallari does not have a profit. They aim to have a small "cushion" of profit, but since the farm families are in a sense paid the profit ahead of time with the higher raw material prices, this sometimes does not happen. Overall the purpose of Kallari is to provide more jobs with increased wages, and through increasing support and awareness of the company, Kallari has been able to do so. In addition, they are providing these jobs to a highly marginalized population within Ecuador. The following section illustrates how Kallari’s success within the cacao market has allowed it to combat the national problem of indigenous racism within the country.

3.2.i Combating Racism.

As illustrated in the previous section, indigenous racism in Ecuador is a significant problem. Specifically it limits education, job prospects, and overall social mobility for those within the indigenous community. In an interview I conducted with Logbak, she stated that in most of the indigenous rain forest villages she has worked with, only one or two individuals had part of a high school education. She explained that while the Napo region consists of 75% is indigenous Kichwa, the small amount of lucrative income-generating businesses are all owned by the mestizo community members that are not originally from the province.

One of the goals of Kallari is to improve the economic status of its cooperative members. While they do not have a specific agenda set out to do this, there have been benefits for those who are part of the cooperative that have generated positive outcomes towards this goal. For example, Kallari has provided a number of training sessions on leadership and skill development. However, beyond the trainings, there are opportunities to pursue education while working for Kallari. Logbak (2015) states that thus far, three people have achieved a college education while
working for Kallari as well as three more who are pursuing their degree right now (personal communication). There are also extensive learning opportunities that happen on the ground level. This is seen in the management and leadership style of the company. For example, in the day-to-day business, the executive board has power over the organization, but usually they are not really involved. In contrast, the administrator, Judy Logback, and the president, Galo Grefa, manage day-to-day affairs, and the workers are empowered to make many independent decisions and bring up ideas themselves. Subsequently, while it was explained that Kallari has a hierarchical organizational structure, everyone is encouraged to ask questions and take initiative. For instance, Kallari conducts a monthly team meeting to discuss the events and issues of the previous four weeks. Since Logback is the only person with formal training in international business, she usually takes the lead during the meetings. Still, she takes time to explain challenges of international trade and includes everyone’s ideas. For instance, in the team meeting of September 2015, she shared one of the company’s major challenges of reducing shipping costs, and asked for input from the members as to how they could solve the issue of high costs. These experiences are invaluable to the members of the Kallari community in their future careers as cacao entrepreneurs.

In addition, Kallari has invested profits back into the community to help growth and productivity. For example, Kallari donated money to build two community coop-center structures. However, this is not the norm or objective for the future. As mentioned above, the profit margin that Kallari would generate during their activities is paid ahead of time to the families, and they are given jurisdiction and complete autonomy to best allocate those funds for their family needs. This is the opposite of most Fair Trade businesses that require that the annual profits be completely invested in large social infrastructure projects. This is because their village members seem to have some benefits, such as schools and health centers, that are provided by
the government, but the high costs of daily life, such as transit and basic family expenses, are such a large part of the family budget that Kallari first wants to make sure the basic needs are satisfied before investing profits in luxury items that the village members may not all be able to benefit from. With the extra funds, many families have invested in improving their housing, have purchased gas stoves (instead of relying totally on firewood for cooking) or refrigerators, and quite a number have mobile phone plans that help them become more efficient, enabling them to communicate without leaving their village.

Overall, Kallari has shown how it is possible to use the cacao industry of Ecuador as a tool to help fix, national social issues. While it is a great example of social entrepreneurship, as an intern for Kallari I have had the opportunity to develop my own critical analysis of the organization. The following section will offer a critique based on what I have seen and experienced.

3.2. Critical Analysis

For four months in the fall of 2015 I interned with Kallari as their events coordinator for their café in Quito. The goals set out for my position were to promote the café and put on biweekly events to generate interest and new clientele. This experience has allowed me to get to know the administration and staff, as well as the inner workings of the organization. This section will illustrate my impressions of Kallari as well as offer a critique of what I believe could be improved. This evaluation is meant to provide feedback as well as isolate qualities that could be integrated into my own practice in order to benefit Trashé Designs. Overall, I feel the main issues are concentrated within the fields of management, communication, and efficiency, which I believe all derive from a lack of empowerment.
Management is an essential element to any organization. Right now Logbak, the current elected administrator, is the one person to whom everyone turns for advice. As someone who has gotten to know Logbak personally, I believe she is a hard-working, one-of-a-kind individual who has created something amazing. She created a project that was desired by the people, and for that she is a true social entrepreneur. However, while she is currently in the position to be great transformational leader, in reality her leadership style has not been effective in creating a self-sustaining business (Bass & Avolio, 1993). While the organizational structure is meant to give members responsibility and encourage initiative I found that in the coffee shop the employees do not feel comfortable doing this and wait for Logbak to provide instruction. It was explained to me that this is a cultural norm that has been engrained in them. However, for this organization to run well, the employees need to feel that they are in a position to act without her consent. This is an issue of empowerment and education. Many times in the coffee shop I have asked questions that the staff cannot answer, and they tell me they need to ask Logbak; however, Logbak does not work in the coffee shop and is rarely there. Therefore, in order for the coffee shop to run smoothly and effectively, the staff needs to be able to make executive decisions on their own. Therefore, I believe solitary management style has led to a lack of empowerment. In contrast to this, one of the women working at the coffee shop is simultaneously getting her college degree. Therefore, I see empowerment in some scenarios but not in others. In addition, when I asked this same staff member how Kallari has helped her and the members of her village, she replied, “Since Kallari’s inception it has helped their families benefit greatly by giving them better opportunities and paying them a fair price for their raw material and labor” (Sophie Oña, 2015). Overall, I see the leadership and managing style in line with the mission of Kallari, as their goal is to give opportunities to the Kichwa communities and they are doing that through education and elevated cacao prices. However, for Kallari members to fully take advantage of future
opportunities, their level of empowerment needs to be considered. This, I believe, is a result of the current management structure.

A possible cause for the current issues within the organization may also be a result of disorganized management. While I think it takes a unique set of people to be able to create an organization like Kallari, at times it was clear that there were organization issues. I found that this disorganization led to poor time management, inability to prioritize, and a lack of delegation. During my time at Kallari, I consistently saw Logbak take on more than she could handle in a single day. Many times I felt that this issue could be solved by simply delegating to other employees. While Logbak’s mission is to transform the business and eventually step down, in order for her to this she needs to give more responsibility to her employees so that they are able to do things without her. This will also help with prioritization. Logbak is a model for her employees; therefore, her inability to prioritize and delegate results in her staff’s inability to do the same. The two main issues are that the staff members are consistently taking on more than they can accomplish rather than delegating to others, as well as doing first what is easiest instead of what is most important.

Communication is also a significant issue within Kallari as roles and responsibilities are not clear and central communication channels are not established. The combination of improper communication and lack of empowerment results in irresponsibility. When someone is not told what to do, and they do not feel that they have the power to do something on their own, the result is that it does not get done at all. For example, in the Tena office, someone is supposed to pay the internet bill each month. However, because the roles are not explicitly communicated, this person routinely forgets. This inevitably leads to delays in work when Internet access is turned off for undetermined amounts of time. While it may be difficult to develop fast solutions to these problems, I think in order to improve, Kallari needs to start from the bottom. Roles need to be
clearly defined, and people need to feel responsible for those roles. In order to do that, they need to feel that their role is significant and needed.

In the end, Logbak has created an incredible organization that, over time, has provided hundreds of jobs and incorporated the ideas and needs of the indigenous Kichwa people, a vulnerable population in Ecuador. Their ability to use an important export in Ecuador and use it to combat systematic racism is a noble and needed task. In addition, I have found my time with them extremely valuable for my own personal professional development, as well as for a case study to evaluate the success and failures in what is to be considered a successful social enterprise. I have learned that leadership is unquestionably one of the most important aspects in relation to the success of an organization. This is because it affects all arenas of the organization: empowerment, efficiency, communication, etc. When working with a vulnerable population, they look to you for answers, and it is our job to give them the resources and support so that in the future they have the answers themselves. I would like to conclude with the answer Logbak provided to the question, “if you had one piece of advice for a future social entrepreneur, what would it be?” Her response was, “to be a good listener. It’s a social enterprise, it’s not for yourself” (personal communication, 2015). Now that I have provided two case studies where I have investigated and critically analyzed their function, success, and challenges, the following section will evaluate my own social enterprise, Trashé Designs.
CHAPTER 4: THE PROJECT

4.1 My Story

In 2013, I lived in Nepal. I was working for an Israeli NGO where I was in charge of their youth development program. As previously stated in chapter one, this is when I learned how to crochet using plastic. Initially, I used this skill to integrate myself into the community. The youth were very interested in what I was doing and wanted to learn. Over the year, a variety of women became interested in learning the skill as well. With my background in development, this inspired an idea; if I could figure out a way to teach a group of women how to make the fashion pieces and find a market to sell them in, they could potentially have a more sustainable income. Specifically, what is great about this project is that the women do not need to invest anything; any money they would make from selling the bags would be pure profit. I had seen similar projects that had a lot of success and knew there was potential here.

In 2014 I met the co-founders of Salila Rising, Ashira and Andy Katz. Salila Rising is an ethical fashion brand created as a means to support women who have been trafficked into India in hopes of stopping the cycle of trafficking, poverty, and violence. “With aspirations to greatly alter the enormity of human trafficking, Salila Rising plans to offer safe and stable employment in high-risk communities around Delhi, providing families a financial alternative to trafficking children and women and an opportunity for economic independence” (Salila Rising, 2015). In order to sell Salila Rising products, Ashira and Andy put together a fair trade global marketplace, “Jewel and Lotus”. Their vision is based on the belief that “we live in a time of great inequality, greed and injustice. But we can change the world…the fate of our planet is in our hands and actually, that much of it is in the way that we show and how we spend our money” (Jewel and Lotus, 2015). Overall the project was very inspiring, and with my experience and new idea for a possible business endeavor, I felt I could one day be a part of the Jewel and Lotus
community. However, in 2014, I felt like I needed a stronger educational background before I could make the project a success.

As illustrated in chapter one, during my first year in graduate school, my understanding of economic inequality expanded and I was introduced to new terms and development practices that I wanted to pursue, specifically the field of social entrepreneurship, fair trade, and microfinance. I began researching different models and learning about the various possibilities and concluded that I wanted to use business as a tool to solve social problems: a social enterprise. However, while I had conceptualized my idea, the question still remained: how would I find people to be a part of this project? Originally I imagined working with rural Nepali Women; however, the issue of working with the rural population is that they have very limited time; most of their day is consumed with working in the fields and feeding their animals. My eyes were opened to new possibilities when I went to Thailand and began my internship with Our Choice.

Our Choice is working to provide information and services for those who have been diagnosed with HIV/AIDS in the Chiang Mai region. During my time at Our Choice, I had the opportunity to learn more about the social and health issues that the HIV positive population has experienced in Thailand, specifically the issues defined in chapter two, such as job losses and economic stress. What I understood was that if I were to work with this demographic, I would not see the same obstacle of participants having limited time as I did in Nepal. In fact, as seen in the literature review, the HIV/AIDS community has the opposite problem. Due to job loss they have an overabundance of time. When my supervisor Kaewta learned about my idea, she got very excited and asked if I would be interested in developing a vocational training with her, I jumped at the opportunity. As the project came together, I began to see my vision of creating a social enterprise become a reality.
4.2 Project Design

My goal for this project was to create a social enterprise that would generate sustainable economic opportunities for those who chose to participate. This would entail providing vocational training for participants, producing products, and then selling the products in western markets. My hope is that the profit generated from the products will allow the project to be self-sustainable by April 2016. These goals will be met through partnering with Our Choice Thailand, which will help maintain the relationship between the participants and myself. This partnership is further described in Appendix E.

4.3 What Has Been Done

4.3.a TRAINING ONE

Before products could be produced, we had to seek out participants and provide vocational training on how to crochet using plastic. With Kaewta’s help, we were able to set up two training sessions at two locations where Our Choice had a substantial amount of clients. The first training would be at Sarapee Hospital and the second would be at Baan Sabai, a local shelter where patients would go when ostracized from their communities and when they had nowhere else to go.

The day started with going to Sarapee Hospital at 9am. My coworkers Kan and Nat, who would help me with translating, brought me to the hospital. In addition, an undergraduate study abroad student, Jessie, came to help with documentation through video and photography. Earlier in the week, I had taught all three how to make the products, so there would be more people able to help teach in case it was necessary. When we arrived, we were instructed to set up our
materials in a conference room attached to the hospital. There were several tables set up in the
room, so I used one to set up all the materials: the plastic bags, crochet needles, scissors, and
sample bags. After about 15 minutes, there were seven people sitting around the table and I was
instructed to begin.

The first step was to learn how to cut the bags. Everyone needed help with this. As I
explained how to cut the bags, everyone was very attentive and seemed extremely interested.
Once we were done cutting the bags, I expected to show them how to crochet. To my amazement
they already knew how! Apparently in Thailand many people learn how to crochet in elementary
school. There were a few that needed some guidance and instruction on how to make the shape
that I had made, but other than that, everyone was able to manage by themselves.

For the next hour everyone practiced and compared techniques. At 11:00 a.m., the
attendees said that they had to go, but they wanted to schedule a time to meet again. We arranged
for our next meeting to be on April 3rd. However, before I left, Kan pulled me aside and asked
me what I would pay them for each bag. I was very unprepared for this. We had not discussed it
at all, because we had assumed they would need time to practice before they would be able to
make quality bags that I would purchase. We discussed the price and came up with numbers we
felt were “fair trade” price. I then realized they were asking because they were hoping to finish
bags before the next time they saw me in order for me to buy them.

Next we went to Baan Sabai. As previously stated, this is a shelter for people living with
HIV/AIDS who have been ostracized from their community and therefore have nowhere to go.
At the time, the shelter had three patients living there, all of whom were clients of Our Choice.
All of them were unemployed, have nothing to do all day, and the only income they have is
subsidies from the government.
Similar to the Sarapee hospital, after I showed the group how to cut the plastic, two out of the three knew how to crochet. For the one who did not know, he was able to learn from their peers. Everyone sat together and practiced for approximately two hours. At the end of the training, two of the participants were very good and wanted to set a time for the next training session.

One thing that I learned from this first training was that I definitely should have discussed the whole concept of money in more depth with Kaweata before the day of instruction. I made assumptions based on my previous experiences that were clearly not applicable in Thailand. For the following training, we would develop a rubric that would define the corresponding compensation for each size bag the women would make.²

4.3.b TRAINING TWO

In between the two training sessions, there were several meetings where we discussed in detail what the project would look like. Specifically, there was a misunderstanding of how many bags I could buy each month. I had to explain that I am purchasing these bags with my own money and I was not sure how quickly they would sell once I return home. Since this was a new project, there would be a learning curve in terms of figuring out the market and profit margins. For this upcoming training, it would be important to explain that this was just the beginning, and in order for the clients to see results, they would have to be willing to commit to the long-term goals of the project. While the hope was that it would grow and I would be able to buy more bags from each person in the future, at that point there would have to be a limit. Therefore the purpose of this second training was to present in more detail the parameters of the project, clarify any misunderstandings, answer questions, as well as check on the quality of the bags that were being made and advise them how to make them profitable within the market in which I would be

² This price rubric can be found in Appendix D.
selling them. The second training proved to be successful, with 5 people still participating in the project and wanting to continue with a third training session.

4.3.c TRAINING THREE

When we arrived at Sarapee Hospital, we met with three participants. Out of the three, only one, Wipawan Wongsawat, had made bags. Last time the patterns were random and careless, and therefore I did not feel comfortable buying them. The main issue was that while the purpose of the project is to give these people a more sustainable income, in order for it to be sustainable, I have to make a judgment call on what I think will be profitable. However, this time, she made 6 bags and they were all very well done and of extremely high quality. These were the first bags that I purchased.

Now that it was clear that Wipawan would be a consistent participant, I wanted to understand why this project was something she wanted to participate in, and how this money would help change her financial troubles. She said that the bags she has made are things she can feel proud of. In addition, the money that I gave her for these six bags would help ensure transportation costs for the next time she had to come to the hospital. It was very moving for me to see that a project like this could actually have an impact on someone’s life, even if it was just Wipawan. In addition, I was able to find support for her response in the literature. In research done by Jongsthapongpanth and Bagchi-Sen (2010), they found that “the second most important coping strategy is trying to be busy so they can forget that they have HIV or AIDS” (p. 44). Therefore this project not only helps with the stress of income loss, but also provides participants with a distraction and a daily activity, which research has suggested relieves the stress of the disease.

At Barn Sabai, two of the participants, Suda and Panuwat, had made a selection of bags that I was also prepared to buy from them. Once again I asked the question of why this project
was something they wanted to participate in. Suda is much older and is limited in the work she is able to do. She said this type of work was within her means. It has provided her with something to do all day and has allowed her to focus her energy on something productive. Panuwat explained that he has a lot of pain in his lower back that prevents him from working. This project has allowed him to work anytime and anywhere, which he sincerely appreciates. In addition, they both feel that crocheting is a type of meditation that has helped relieve their stress.

4.3.d Selling the Bags

Over the next two months, the artisans would generate 109 bags. Before I left Thailand, I had already sold 30 and generated about $200 in sales. In addition, I created a website (www.trashedesigns.com) and a variety of social media pages (Facebook and Instagram) in order to start promoting the products and develop the brand. The branding consists of perpetuating the story behind the products. I believe what is special, and therefore marketable, about these products is that there is a human being behind them about whom people can learn. The idea behind Trashé Designs is that the items are not mass-produced, but that they incorporate the style of the individual making them. Therefore to promote this idea, I have named each line of bags after the person who made them. This will bring a sense of connection and individuality to the product that I think will make it successful.

When I returned home, I got to work on selling the bags. Jewel and Lotus had a month long pop-up show in New York where I participated as a vendor. Over the course of the month, I was given four days where I could set up a table outside the shop and display my products in order to attract interest from those walking by. In addition, I put a collection of bags on display at a local beauty salon and accessory store. Both locations saw a lot of success. By the end of the
summer, I had sold out of my first round of bags and more than doubled my investment. This was extremely exciting because now I could reinvest the profits into new bags. The one thing that has me nervous is that in this first round of bags, most of the sales were through my immediate social network. While I did have a handful of sales from the various shops, the majority were through friends and family. This is not a sustainable market. Therefore, during my next semester abroad in Ecuador, I felt my efforts needed to be focused on marketing and advertisement.

4.3.e Marketing and Advertisement

During my third semester in Ecuador in the fall of 2015, I continued working on my social media pages and teaching myself how to use these pages to promote sales. I learned that Instagram brings in the second largest amount of revenue for businesses so I felt like it was important to focus my efforts there. Many influencers (fashion bloggers, magazines, etc.) use Instagram to find businesses and feature them on their own pages. These influencers can have thousands of followers who trust the information provided to them and will then be directed to my site if featured. Therefore, I spent time learning about hash tags and ways to get my pictures noticed. My goal was to post one picture a day to generate as much traffic as possible. While at first it felt like my labor was in vain, I began to see a change in the months of November and December.

From November 2015 to February 2016, I started to see a lot of growing interest in my project as a result of my social media efforts. Several bloggers have featured Trashé Designs, which has generated a lot of traffic as well as an increase in my followers. In addition, vendors have reached out inquiring about stocking trashé designs products and joining their social community. In February someone asked to exchange products with me to help promote each
other’s pages. This entailed me sending her several Trashé bags in exchange for several products of hers so that we could take pictures with the other’s products in an effort to show support and help advertise. Now that I feel that I have a grasp on what is successful advertisement, I will spend the spring of 2016 working to sell the remaining bags. This will entail participating in fairs and reaching out to local buyers in an effort to find stores to stock the merchandise. The goal is to have all of the bags sold by April, 2016 so that I can once again reinvest in another line of bags. Each time I am able to reinvest in a new line of products means an additional pay check for the Trashé Design participants. The following section will look at how this money has been used by the participants as well as how this project has impacted their lives.

4.4 The Participants

As explained in the previous section, after spending a semester in Thailand, I had five artisans that wanted to commit to working on this project: Karn, Fon, Suda, Paniwat, and Wipiwan. All five participants made a collection of bags that I brought home and sold during the summer of 2015. However in the fall of 2015, when I was ready to reinvest into the project, things had changed for many of the participants. First Paniwat began to regain his health and was able to get his old job back. This was really exciting news. He said that he sincerely appreciated having the ability to work and make money during the time when he was not able to work but for him it was not a lifestyle he wished to maintain when presented with other options. Second, Karn became involved in a number of activities with her family and felt that she was able to make more money with these new endeavors. Finally, Suda moved to a new district and did not maintain communication. Originally she had wanted to make bags, and even made a collection of bags for Trashé, but somewhere along the lines there was a miscommunication, and when she moved, she took her bags with her leaving no way for us to reach out to her. Therefore in the
matter of two months, I went from having five participants to two. I realized that reliability would be hard to find, first because this particular demographic will constantly have changing circumstances in their health, living situation, and communication, and second because I myself could not guarantee reliability. I have limited communication with my clients, and right now am not sure if I will be able to continue investing; therefore, they are aware that there might be no more money generated from this project. With that being said, if this project were to continue there would have to be new vocational trainings that happen continuously in order to have a reliable source of production. However, before looking into the future, it is important to evaluate the impact the project has had on the current participants to understand whether it is worth pursuing. With the help of Kaweata, I was able to ask a variety of questions to the two artisans who participated in the production of both lines of bags, Fon and Wipiwan. This was an effort to understand their experience being a part of Trashé Designs. The following section will list the questions, followed by the answers of both Fon and Wipiwan.

4.5 The Interviews

1. How has life changed for you since you started making bags for Trashé?

   **Fon:** I live in the shelter, there are only 2-3 things that I can do for earning some money. I sell the vegetable I plant in the garden of the shelter and making the bags when I have free time. The money might not be much comparing with other people who has a full time job, but with my ability and knowledge this means a lot for me.

   **Wipawan:** I have more income and I have more time staying home. Usually I have to go out for work, like being a daily worker on harvesting fruit or a house maid. But for now, I can work at home.

2. How was life for you before you worked for Trashé?

   **Fon:** I spent my time on watching TV but now I still can watch TV together with making a bag.

   **Wipawan:** I have to go out every day to seek for a job, but now I have more choice, I can work at home.
3. Do you think other people could benefit from participating in this project?

  *Fon:* Yes, if they have more time and enjoy making bags, they will earn more money than me.

  *Wipawan:* Yes.

4. Are there specific things that you would change about the project that you think would make it better or more beneficial for you?

  *Fon:* It would be good if the project can provide plastic bags for us. It is difficult for me to find the colorful plastic bag.

  *Wipawan:* I want to have a yearly production plan of trashe, thus I will have a timeframe for making the bags.

5. How have you used your new source of income?

  *Fon:* I spend it on my personal things and saving. I had never had saving before now.

  *Wipawan:* I pay for my son’s education.

6. What were struggles you faced in regards to money before Trashé?

  *Fon:* As I said, I live in the shelter and receive little allowance. Sometimes I want to buy a personal thing but I have to collect money for many months.

  *Wipawan:* Sometimes I couldn’t find a job for many months and have no income. Especially when do not feel well, as you know I'm living with HIV.

7. Has Trashé helped alleviate some of those struggles?

  *Fon:* Since I started making the bags, I've earned more money. Therefore, I am able to buy what I want, like cloth and shoes, etc.

  *Wipawan:* Making the bags for Trashe gives me an alternative solution, I can work at home and make the bags whenever I want.
Chapter 5: Lessons Learned

Over the course of this year, I have worked to create the social enterprise Trashé Designs. I have been touched by the people I have worked with and have been blessed to have the help of so many people who feel as passionate about social and economic inequality as I do. I think this project has proven to positively impact the participants’ lives as well as possibly influence their self-perception in order to battle the stigma of HIV/AIDS. This section is a reflection on this experience. I posed five questions to myself and will use this chapter to answer them.

5.1 What do you need to be prepared for when starting a social enterprise?
   a. The unexpected. When working in this field, I have learned that you have to be prepared for the fact that the plan that you have created is probably not the way things will pan out. Several times, I found myself in situations that I had not prepared for and quickly understood that it is always better to be over-prepared. For example, the first training we had I went in with a very relaxed attitude and made assumptions about the participants that eventually led to an uncomfortable situation regarding money and payment. One way to help avoid these situations is talk to as many people as you can about your plans and come up with alternative scenarios. The more people you talk to, the more prepared you will be.

   b. Needing help. People are your biggest resource. Utilize your friends and family’s creativity. I think many times I tried to do too much by myself. However, I have learned that I need to be prepared to ask for help.

   c. Rejection. When I first started this project, I received so much positive encouragement that I thought once I got going I would easily make sales and find organizations interested in taking on these products. However, that has not been the case. Thus far a
majority of sales have been through my personal network; this is not sustainable. Since returning from Ecuador, I have spent countless hours pounding the pavement looking for stores to stock Trashé Designs merchandise; however it has been a lot of work and very little gain. Two stores have been interested in taking products on consignment, but none have volunteered to take products on wholesale. This was my vision on how to make this project sustainable: find three to five stores to take on the products wholesale to help move inventory with hopes to reinvest into another collection. This has not been the case. While many people compliment my efforts, they need to do what is right for their business and have not felt that my products are a good investment for them. But it is important to not get discouraged.

d. You need to spend money to make money. While this is an old phrase, I have found a lot of truth in it. Initially I thought that the only investment I would have to make would be in the products themselves; however that is not true. Everything costs money! We live in a digital work so having an online presence is very important. People will not just find out about Trashé Design by magic. Marketing is crucial, and marketing costs money. First I had to pay for my domain name (trashedesigns.com). Then I had to invest in marketing materials (post cards and business cards). I am now learning that in order to market to the right demographic and get my produces on the shelves of the right stores, I need to participate in artisan fairs where wholesale buyers will come and investigate new merchandise. To participate in these I need to invest in table space. There is also the investment of time. When I participate in these fairs, I have to be available to donate my time. Creating an online presence also takes time. From Instagram to Facebook, it takes countless hours to come up with campaign ideas and promote them on these venues.
5.2 Looking back on this process, what would you have done differently?

a. I have to be honest and say that I would not change anything. I really believe everything happens for a reason, and this project was able to manifest itself because I was in the right place at the right time. While at times I wish I had been more prepared, I needed those experiences to learn. This experience as a whole has been invaluable in that I have 100% been learning as I go along. As I move into this field as a Graduate in International Development, I feel much more capable in my abilities and understanding of this industry. With that being said, that does not mean that I do not learn from others. I am constantly asking for advice and do everything I can to learn from others’ mistakes in order to avoid them myself.

5.3 What are 3 pieces of advice you would give someone entering into this field who is trying to start their own social enterprise?

a. Patience. When starting this process, I had a lot of drive and energy to put everything I had into this project. However, I am seeing how easy it is to become discouraged and burnt out. Remember this is not a race. It is important not to compare yourself to the success of others and believe in your project. There is a reason why you started it and sometimes you need to remind yourself of why that is. With that being said, my second piece of advice is…

b. Confidence. As previously said, this industry is full of rejection and failure, but it is important to keep going and remember that you are doing this for a reason. Believe in your cause and your abilities to make it successful. Remember there is a bigger picture. Overall, as a social entrepreneur your goal is to make a difference and have an impact. It’s especially important to remember this when you are starting to doubt yourself.
c. Flexibility. You have to be open to the fact that your initial idea of what you wanted your social enterprise to be may manifest itself differently in reality. Whether you are just starting out in this process or deeply involved, this industry is about learning and sharing. If you remain stubborn and rigid in your vision, it will be to your disadvantage. Learn from others successes and, even more, learn from their mistakes. You have to be willing to let your business grow and sometimes that means letting it take on a mind of its own.

5.4 In your opinion, what are key elements in making a project sustainable?

a. I would have to say that networking is a vital piece to making any project successful. It all comes down to who you know. The reason I saw so much initial success is because I had partnered with Jewel and Lotus. This enabled me to promote my products at their pop-up shop during the summer of 2015. Through this experience, I was able to meet a handful of other social entrepreneurs who continue to show their support. A big part of success is word of mouth, and the more people you know, the faster the word will spread. This includes your social media networking. Through the months of December 2015-February 2016, I started to see positive results from my efforts on social media, and it has made a significant difference in the amount of people I am able to reach. For example, I have reached out to prominent influencers (bloggers, etc.), and several have featured me on their own social media pages, which drives traffic to my page.

5.5 What were your original visions and hopes, and how has the project lined up with that vision in reality?

a. When I started the idea for this project, I was a volunteer in Nepal and knew there was something in the idea of making fashion pieces out of recycled products, but I honestly
had no concrete vision of what the idea was. The process has been extremely fluid. The more people I talked to about this idea, the more input I received. This continued until someone finally said “can you teach people how to do this? Can you try and sell them after?” I found the more people I spoke with, the more people that led me to, until I met the right person who knew how to turn this idea into a reality. So to answer this question, I would have to say that this project has gone way beyond my original hopes, because it has not only become a real thing but it has had tangible results.

5.6 What Comes Next

Over the past 4 months, I have been able to move half of the products. I will continue working to sell the remaining bags. However, the question still remains whether I will reinvest in a third line. The main challenge that I have come across is finding wholesale buyers. While I have reached out to many stores in the Portland area, I have not been able to generate the interest of the local market to include Trashé Designs in their storefront. This poses a problem for future sales. Currently the majority of sales have been made within my immediate social network and local craft fairs. Neither of these venues are sustainable. I am at a point where I have saturated my social network, and once I graduate I will not have the flexibility or availability to participate in fairs the way I have been thus far. This makes me concerned about future sales.

I have learned that a big part of this process is advocating on behalf of my product. As I said, a majority of my sales have been at local craft fairs. This is because I am there to speak on behalf of the story. While I believe the products are beautiful and of high quality, what makes them sell is the story behind them. While I have created marketing materials that I believe portray the social mission of the products, they have not been persuasive in the way I am when I am standing there talking to customers. The recommendations I have received to help in this matter is to make tags for all of the bags that further push the social mission behind the products.
The issue with this is that it costs more money. As previously stated, I have learned that in order to make money, you have to spend money. I am at a point where I am not sure I am willing to risk further investment.

Having a handful of products left, I will continue to seek out wholesale buyers and slightly change my approach. Right now, I have been seeking out stores that carry similar products. However, what I have seen is that Trashé Designs gets lost and no longer stands out as a unique product. With my first collection of bags I was able to put a handful of bags in local businesses: a hair salon, a yoga studio, and at church events. At these venues Trashé Designs was able to get attention and make substantial sales. While I saw great success among this demographic, I also quickly oversaturated each venue. These are communities that routinely see the same people and therefore at some point the sales will taper off. While these venues are a great way to make immediate sales, each individual location is not sustainable. One example of this is the First Presbyterian Church I partnered with in Portland. The second Sunday of each month, they display a fair trade table. We agreed that Trashé Designs would participate in the March fair. This was an extremely successful event. I was able to move over 20 products. With such great results, I asked if I could return for the April fair. This fair saw drastically different results with only 5 bags selling. At that moment I realized that everyone who was interested in buying a bag within this community had already bought a bag: this market was no longer a viable option. For Trashé Designs to be successful in the future, I would have to continue forging new relationships in order to make sure that I do not oversaturate a certain community.

The time commitment that is needed to continue making sales is not something I can sustain once I am out of school. While selling products is a time commitment, there is also social media, managing finances, and continuing seeking out new market venues. I truly believe in this project and its ability to succeed. However, I am not sure I will be able to give it the time it needs
and deserves. Within the next two months I will be moving to the Bay Area. This will open up a new market that I hope to infiltrate. With the remaining bags, I will do my best to continue seeking out venues and discuss the possibility of a third collection with Kaewta. Depending on how quickly I am able to sell the bags and how the artisans feel about moving forward with a third collection will determine the next steps. My hope is that I will be able to pull together the loose threads and continue working towards a sustainable business.

5.7 Conclusions

Overall, with the help and support of my family and friends, I have had the opportunity to take an idea and turn it into a reality. This has been an extremely surreal experience. In the end, I have come to understand that a social enterprise is indeed simply a way to utilize business to solve a social problem. This can manifest itself in many different ways. For me, I used my skill to crochet plastic and used the business of fashion as way to address the problem of HIV segregation and unemployment in Thailand. Through vocational trainings and a small investment of funds, I was able to employ five individuals for the duration of this project. While my goal is still to make this project sustainable, I can only continue to invest time into this project while I am still a student. My concern is that I will not be able to fully get this off the ground before graduation. This is a very hard thing for me to admit because I have come to know the women I am working with and have seen the impact this project can have on their lives. Over the course of the next few months, I will participate in several Fair Trade and artisan fairs, including one on Concordia’s campus as well as a walking fair on SE Division Street. I hope that this will be enough to get the attention of local venders to invest in a small collection of Trashé Designs products, enabling me to reinvest in a third collection of bags. Furthermore, in my future I am hoping to use this experience to move into the world of social entrepreneurship and utilize my skills to have maximum impact on social business projects like the ones discussed in this thesis.
References


matters and how it can be accelerated, The Young Foundation. *Skoll Centre for Social Entrepreneurship Working Paper, 376.*


Smith, A. (2013). Continuing the Legacy of David Livingstone: The
contribution of fair trade to international development. *The Expository Times, 125*(2), 53-66.


APPENDIX A

Consent Form (English Version)

Title of Research Project:
Skill Training: Trashé Bag Project

Description of Workshop:
The participant will be partaking in a skill training session on how to use plastic bags as materials to crochet a variety of marketable products. The goal of the workshop is to provide participants with a skill that will have the potential to contribute to their income in the form of a microfinance project that will be co-sponsored by Our Choice Thailand. The creation, execution, and analysis of the workshop will be used to modify and create a curriculum in order to continue similar workshops in the future.

By signing this form you consent to:
   a. Having your picture taken
   b. Being video taped
   c. The use of a. and b. as field research to the ongoing project of creating a skill training curriculum

Confidentiality:
When utilizing field notes, a random name will be assigned to each participant’s data in place of their real name. With the use of a coding system, all information will be published using only the participant’s fake name, and there will be no publication of information that will link your participation with the data. Anonymity and confidentiality of each participant will be maintained. There is no way for you or any of your identifying information to be linked to information that will be published for this skill-training curriculum.

Researcher:
This research is being conducted by:
   NANDAMALEE PLACE APARTMENT
   3 MOO 14 SUTHEP ROAD, SOI 7 T. SUTHEP, A. MUANG
   CHIANG MAI 50200, THAILAND
   +66 98 526 8394
   carawalden@gmail.com

Consent to Participate:
I, _________________________ (print name), do hereby, freely and without compensation, agree to participate in this skill training workshop. Furthermore, I have been informed of the nature of the project and what is expected of me. In addition, I acknowledge that I am over the age of 18 years old, and/or received consent from my guardian. The researcher, Cara Walden, has explained the project and answered all questions to my satisfaction. I understand that I can withdraw from this training program at any time without penalty or prejudice. Should I have any questions at a later time, I can contact the faculty research project supervisor, Adam Dedman at adam@iseaa.org.

Date: ___________________________
Signature: _______________________
Signature of guardian (if needed)______________________
ในยื้อมเข้าร่วมโครงการ

หัวข้อโครงการวิจัย: โครงการ การศึกษาเพื่อผลิตสินค้าจากถุงพลาสติกเสื่อมถึง

ค่าใช้จ่ายในการเข้าร่วมโครงการ:

- การศึกษาในระดับบัณฑิตศึกษา: ความสามารถในการผลิตสินค้าจากถุงพลาสติกเสื่อมถึง โดยการรักษา
- ความต้องการในการผลิตสินค้าจากถุงพลาสติกเสื่อมถึง โดยการรักษา
- ความต้องการในการผลิตสินค้าจากถุงพลาสติกเสื่อมถึง โดยการรักษา

เข้าร่วมโครงการ

- การศึกษาในระดับบัณฑิตศึกษา: ความสามารถในการผลิตสินค้าจากถุงพลาสติกเสื่อมถึง โดยการรักษา
- ความต้องการในการผลิตสินค้าจากถุงพลาสติกเสื่อมถึง โดยการรักษา

กรุณาติดต่อทีมงานเพื่อขอรับรายละเอียดเพิ่มเติม.

ผู้จัดทำ:

โครงการวิจัยด้านการพัฒนาของนางสาวค่า เวลเดอร์ (Miss. Cara Walden)

ผลิตภัณฑ์: 088-526-8394

email: cutewalden@gmail.com

ที่อยู่: นิคมแกล็คดีรั้ว ม.14 บ.สุพรรณบุรี อ.สุพรรณบุรี จ.สุพรรณบุรี 60200

การให้คำยินยอมเข้าร่วมโครงการ

ชื่อพ่อ นามสกุล: นางสาว erklä آل (ชื่อเข้าร่วมโครงการ) โดยมีความประสงค์ที่จะเข้าร่วมโครงการ

กรุณาติดต่อทีมงานเพื่อขอรับรายละเอียดเพิ่มเติม.

ผู้จัดทำ:

โครงการวิจัยด้านการพัฒนาของนางสาวค่า เวลเดอร์ (Miss. Cara Walden)

ผลิตภัณฑ์: 088-526-8394

email: cutewalden@gmail.com

ที่อยู่: นิคมแกล็คดีรั้ว ม.14 บ.สุพรรณบุรี อ.สุพรรณบุรี จ.สุพรรณบุรี 60200

ความยินยอม: ____________________________

ลงลายมือชื่อผู้ปกครอง (ถ้ามี) ____________________________

วันที่: ____________________________
โครงการ การใช้ทักษะเพื่อผลิตภัณฑ์จากถุงพลาสติกเก่าคือ

ผู้เข้าร่วมจะได้รับการฝึกอบรม เพื่อผลิตภัณฑ์จากถุงพลาสติกเก่าโดยจากการฝึกอบรม ผู้เข้าร่วมจะสามารถผลิตภัณฑ์จากถุงพลาสติกเก่าได้ ผู้เข้าร่วมจะได้รับการฝึกอบรมจาก "โครงการโดยสิ้นสุด (Our Choice)" ในการสร้างสรรค์ผลิตภัณฑ์ การดำเนินการร่วมสรรพสิ่งของจากการปฏิทินในการครั้งนี้ และจะนำเสนอสิ่งของที่ผลิตจากถุงพลาสติกเก่าไปยังคนรอบข้าง

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APPENDIX D
Sales Rubric (not to scale)

ชั้นกระเบน

5 คูณ 7 นิ้ว

5 คูณ 4 นิ้ว

3 คูณ 3 นิ้ว
**APPENDIX E**

Contract Between Trashé and Our Choice

**AGREEMENT**

**THIS AGREEMENT** is made on the ____ day of ________________, 2015 between CARA WALDEN (hereinafter referred to as “Walden”) with principal home address as 340 Highwood Avenue, Leonia, New Jersey; and KAEWTA SANGSUK (hereinafter referred to as “Sangsuk”) residing at ____________________________;

WHEREAS the parties wish to enter into an Agreement regarding the manufacture and sale of certain fashion items made from plastic bags; and

WHEREAS Walden maintains a trade name, web address and/or domain name under the name of Trashé Designs or some like kind or similar name; and

WHEREAS Sangsuk operates NGO under the name of Our Choice; and

WHEREAS the parties wish to enter into an Agreement setting forth their mutual obligations and responsibilities regarding the development, manufacture, sale, advertising and/or marketing of handbags and purses under the name of Trashé Designs.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the parties hereto further agree as follows:

1. Walden is the sole owner and/or member of an entity called Trashé Designs; and

2. Sangsuk does not have the permission or consent to use the name Trashé Designs without the consent and authority of Walden; and

3. It is understood and agreed by the parties herein that the trade name Trashé Designs, domain name Trashé Designs is the sole and exclusive property of Walden; and
4. Sangsuk is the President and/or controlling member of **NGO Our Choice**. NGO Our Choice is devoted to the enhancement and sustainability of impoverished women through education, training and otherwise.

5. It is the purpose of this Agreement that *Trashé Designs* enter into a joint venture with NGO Our Choice by educating and training women in Thailand and elsewhere in the manufacture, sale and marketing of certain plastic items.

**SALE AND PURCHASE OF ITEMS**

6. Sangsuk will work with the local population in the manufacture and creation of the bags.

7. Walden will purchase the bags for sale in the United States and elsewhere.

8. Walden will pay the following prices for the bags as they become available.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>PRICE</th>
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<tbody>
<tr>
<td>2 x 3 bags</td>
<td>30 baht plus 10 cents</td>
</tr>
<tr>
<td>4 x 6 bags</td>
<td>60 baht plus 20 cents</td>
</tr>
<tr>
<td>5 x 7 bags</td>
<td>100 baht plus 30 cents</td>
</tr>
</tbody>
</table>

9. All prices shall be in baht. The 10 cents, 20 cents and 30 cents listed above constitute a 10% service fee to be paid to NGO Our Choice as a contribution to the NGO.

10. Walden will pay all shipping fees and *Pay-pal* charges.

11. Walden will choose the shipping agency and will make arrangements with the shipping agency with the assistance of Sangsuk for all merchandise shipped to the United States.
12. Walden will pay and provide Sangsuk with all labels which will be sewn and/or placed on the merchandise in an appropriate manner prior to shipping.

13. The parties will maintain an inventory of bags and labels and on a monthly basis will reconcile the number of bags remaining and labels remaining.

14. If Sangsuk or NGO Our Choice elects to teach the method of transforming plastic bags and/or other forms of plastic to fashion items then and in that event Walden will be listed as a partner or founder in the vocational training and techniques employed.

15. In the future if NGO Our Choice takes on new partners for a similar vocational training, the partnership between Our Choice and Trashé will remain the same.

16. The parties will work to ensure that all websites are linked including Trashé and/or Trashe Fashions with the NGO Our Choice website and the NGO Our Choice and/or such other website will contain information regarding Walden’s role in the development of the project.

17. All bags sold by NGO Our Choice and/or Sangsuk and/or any other entity must contain the Trashé Designs logo and/or label.

18. Any bags sold by NGO Our Choice and/or Sangsuk to anyone other than Walden requires that 10% of any sale price go into a fund maintained by Sangsuk and Walden, the purpose of which would be to offset any future purchases by Walden and/or Trashé Designs.

19. Sangsuk and Walden will maintain contact and will jointly pursue expansion and/or interest by third persons in purchasing the Trashé Designs label and/or technique or
method employed herein for the manufacture and development of the bag. Walden must be contacted immediately if Sangsuk and/or NGO Our Choice are contacted by a third party for purposes of expansion or development.

20. All decisions regarding sale of the bags and/or change of project must be done with the consent and permission of Walden and Sangsuk.

In witness whereof, the parties have hereunto set their hands and seal of the date and year written below their respective names.

_____________________________________
CARA WALDEN
Dated:

_____________________________________
KAEWTA SANGSUK
Dated:
APPENDIX F
Inventory from first Collection: February-May 2015

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Receipt of payment
Signature: Wipawan Nongawan

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Receipt of payment

Signature: Panuwat

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Receipt of payment

Signature: Suda

Total on May 15

5,090
purchased on May 18th

Karn 0 bags  For 1
3x3 = 15  30
3x4 = 5  45

Total 450
     225
     675

Receipt of purchase
Signature  KARN
Appendix G

Inventory for Collection 2: Sep-Nov 2015

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<td>cell phone 6x3</td>
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<td>9x6</td>
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<td>5x7</td>
<td>100</td>
<td>3,600</td>
</tr>
<tr>
<td>5x4</td>
<td>60</td>
<td>1,200</td>
</tr>
<tr>
<td>3x4</td>
<td>30</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,310</td>
</tr>
<tr>
<td>10% for Our Choice</td>
<td></td>
<td>1,231</td>
</tr>
<tr>
<td>Label</td>
<td></td>
<td>2,700</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td><strong>16,241</strong></td>
</tr>
<tr>
<td>Paypal Fee 5%</td>
<td></td>
<td>812</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td><strong>17,053.00 TBH (477.53 USD)</strong></td>
</tr>
</tbody>
</table>

Additional Bags made after initial payment

products cost 1,310
10% service fee 130
subtotal 1,440
5% PayPal 72
Total 1,512.00 THB (42.34)

------------------
bag size 9x6 = 1
bag size 5x7 = 11
bag size 3x4 = 3

Total Cost for collection 2: 42.34+477.53=519.87