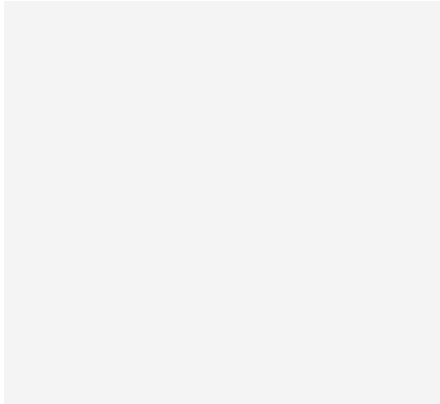


Between Isolation and Empowerment: Pros, Cons, and solutions of Baixing Embroidery and Fair Trade from sociological and anthropological perspectives

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Abstract:

In this study, I will examine a fair trade project that I've initiated in Baixing, a Yao minority village in Guizhou, China, through a combination of sociological and anthropological ideologies. The project was successful in terms of attracting consumers' interest and gaining popularity in the local market. In fact, 80% of embroidered leather jackets were sold. Despite the success in receiving attention from the buyers, from a more practical perspective, financially, the project ended up in complete failure. In addition to the financial failure, another key aspect of it, the empowerment of Ms.Cao, the artisan that I've worked with in this project, also turned out to have the opposite effect: an increase in dependency on fair trade organizations, (in this case, a high school student in Austin, Texas.) By adopting sociological frameworks like dependency theory, gendered political economy, and global commodity chain analysis alongside with anthropological understandings regarding cultural heritage, narrative framing, and the "social life of things," I, as a high school student in high school student, have found three principle reasons behind the ineffectiveness of my fair trade initiative, which also hinder fair trade approaches in general from being, politically, socially, and economically effective. They are regional constraints, historical legacies, and power asymmetries. In section 5, I've listed four comparative case studies that faced similar situations that Baixing is facing to address these problems either collectively or individually, in addition to connecting Baixing's local dilemmas to a broader international scope for common application and reference. Cases of Kuapa Kokoo and Divine Chocolate in Ghana, Fairtrade wine initiatives in South Africa, and Latin American coffee cooperatives suggest that structural innovations---cooperative ownership, story-telling with dignity, and multi-stakeholder governance---are necessary



changes that fair trade organization and companies should implant; otherwise, fair trade attempts are susceptible in diminishing its own values and increasing inequalities to a greater degree. The conclusion section portrays the future of Baixing embroidery with the adjusted version of the fair trade initiative, and it expands on the potential of fair trade as a broader practice.

Keywords: Regional constraints; Historical legacy; Power asymmetry; Centralization; Public-private partnership; Collective bargaining

1. Introduction:

Fair trade is a trade initiative originating from a much older sociological theory, “old moral economy”, which argues that efficiency should not be the sole evaluation of the economy; justice, fairness, and social responsibility should all be incorporated in it (Polanyi 1944). It has been promoted internationally as a corrective effort to the inequalities caused by capitalism, specifically the “free market” economy, which is fundamentally imbalanced (Leclair, 2002). It provides advantages to marginalized producers as a form of compensation to their hard conditions as a result of the systematic unfairness. Despite its good intentions, the outcomes tend to be less than satisfactory, especially in regions like Baixing, which is remote and highly marginalized. Therefore, passionate about bringing fair trade back to my homeland, I spent my summer vacation of 2024 in China, which is one of the nations with many injustices in the market that are not embracing fair trade concepts nor accepting terms of international fair trade organizations. I started my own fair trade aiming at sustaining the livelihood of Ms. Cao, a 50 years old part-time embroider who was left behind by her off-springs during the process of rural hollowing. Rural hollowing has been increasing exponentially as the rapid urbanization and modernization of China in the last two decades became a continuous trend. This has contributed to the lag of development and poverty of the rural areas. Baixing, a victim of this process, is home to many families just like Ms. Cao’s in which the elderly have to work industriously for some tenuous income. Most commonly, they farm. Ms. Cao was not an exception. Embroidery is her hobby and also her source of additional income since farming is physically demanding and unstable. Due to rural hollowing alongside many other political and geographical reasons, people in Baixing remained poor, with

an average annual income of 4000rmb-10000rmb, despite the Chinese government’s declaration in 2020 that “absolute poverty” has been eradicated. Not only is Baixing geographically unfavored, its population has also been systematically marginalized in history and even in the present. Yao, like many other ethnic minorities in China, is excluded to a large extent from mainstream economic and national culture narratives.

My project seemed promising given the comprehensive research and market investigation that I’ve conducted. After surveying consumers and having my group of buyers targeted, I came up with three rounds of prototypes, each brought to the public for suggestions. I have at last settled on one and started small scale production. 80% of products sold was an indication of consumer’s acceptance to the fusion of traditional Chinese embroidery with modern style jackets; however, from the lenses of business and fair trade, the setbacks outweighed the merits. Specifically, the deficit was caused by high transportation fees, unpredictable production cycles, and the creation of Ms. Cao’s dependency on me as the sole connector to markets. Since the core values of fair trade are not centered on quantities sold, but rather, on monetary gains of the producers and elevation of cultural significance/dignity, this paper presents regional constraints (RC), historical legacies (HL), and power asymmetries (PA) as the barriers to successful fair trade outcomes. Baixing, in the study, reflects these problems on a global scale.

2. Theoretical framework

Fair trade, being a combination of economical, sociological, and anthropological initiative, cannot be defined single-handed as a success or a failure. By bringing together sociological measures about inequality and agencies with anthropological insights in regard to culture and narrative,

the project can be defined as both a success and a failure. First, let us take a look at the problems that Baixing is facing based on sociology. The structural periphery of Baixing leads to its subordination to the core economy (Polanyi, 1944). Because it is unable to reach economic autonomy, its fate falls into the hands of others: the intermediaries or middlemen. The need for them is unavoidable, given the geographic circumstances that isolate Baixing from the big cities where trading takes place. In my case, Ms. Cao depends on me entirely because she has no other choices. Consumers' weakening sense of moral values when conducting consuming behaviors restrains the development of fair trade. As Karl Polanyi says in his work "The Great Transformation", "capitalist economies are not separated from society but are embedded in social norms, values, and identities". Baixing's embroidery, however, is a victim of the capitalist system, which encouraged mass production, because consumers' increasing focus on prices and brands devalues the moral importance when consuming, leaving the work of local artisans out-competed, considering the higher prices and longer production cycles. Even though 80% of the total amount sold proves consumers' interest in local embroidery, the revenue is still minimized by market competition. The imbalance of labor and income makes the project and fair trade unsustainable. Gender role is another problem that Baixing has. Young people, predominantly male, left Baixing seeking opportunities and cities. Females, consequently, are left behind with domestic obligations like taking care of the kids, house chores, farming, and some part time job, in the case of Ms. Cao, it is embroidery. The variety of responsibility scatters her time and forces her to only have 2-3 hours per day to work on embroidery.

Baixing has problems in the anthropological sphere as well. As Arjun Appadurai says in *The Social Lives of Things*, "commodities, like people, have their own distinct social histories and undergo processes of transformation, exchange, and use that shape their meaning and value in different cultural contexts" (Appadurai, 1986). The embroidery patterns on the jackets, in this sense, are carriers of Yao's culture and history. However, the modern market structure of mass production and standardization mitigates the social lives of products, thus degrading the jackets into products without cultural significance. Additionally, Baixing, with the Yao minority as its residents, has been a victim of the largely Han-controlled government. Historical oppression---exclusion from centralized markets, dismissal as "folk craft", and invisibility in national narratives---has made Baixing's trade potentially incapable of being recognized. When marketing for fair trade products, the focus tends to be on producers' bad living conditions, disabilities, or other difficulties. This marketing strategy is

not a voluntary action but a decision made under pressure of fierce competition. This sympathy purchase undermines one of the essentials of fair trade, which is to promote producers' confidence and dignity (Lyon, 2006).

Economics, a study of how individuals, businesses, and societies allocate scarce resources to satisfy unlimited wants and needs, focusing on production, distribution, and consumption decisions, often has overlaps with sociology and anthropology; however, in the case of fair trade, economists have always been skeptical of its basic ideas and approaches. When being asked about their opinions regarding fair trade, economists would question back: "Why and how is the market unfair?" Indeed, from an economic perspective, the contemporary capitalist market is predominantly fair since sales and buys are all voluntary actions. Being a study that upholds efficiency, neoclassical economics criticizes fair trade as inefficient since by imposing price floors, premiums, and subsidizing a certain group of producers, market equilibrium is disrupted and competition is discouraged (Griffiths, 2012). In addition, its impracticability is proven by the market's nonacceptance: fair trade coffee, the biggest export sector among all fair trade products, covers only 5% of world coffee exports (Harford, 2005). The limited impact of fair trade on poverty is further strengthened by the complexity in the certification process, which requires numerous fees and long certification periods (Mutersbaugh, 2005). Lastly, producers could easily be disincentivized by the fair trade guarantees from improving their skills and fostering innovations. This makes them vulnerable once they are no longer under the fair trade umbrella (Leclair, 2002).

The debate between economists and sociologists partnered with anthropologists signifies the academic divide, with one side arguing for efficiency and the other advocating justice, culture, and narrative. This divide is what marks the successes and failures in my project.

In synopsis, from both perspectives (sociological and anthropological), and even from an economic one, the failure of the project signifies the contradictions of fair trade in a society that is, by nature, not fair.

3. Case Study: Baixing embroidery & Comparative case studies

Regional constraints

Baixing is located in eastern Guizhou, where Google map doesn't even label. 92% percents of the region is mountainous. The village is connected to the nearest county by a narrow muddy road that often becomes impassable, especially during monsoons. If lucky, traveling to the county takes around an hour by a three wheels scooter,

which is Ms.Cao's transportation tool. Because there is no post office at the village, she has no other choice but to deliver the items to the county's delivery center by herself. Traveling to the provincial capital, Guiyang, where international delivery is available, requires six hours of driving. Cars are the only transportation since there are no railways in between. The long distance combined with the bad conditions of the infrastructure inflates transport costs tremendously. But this part of the transport costs is trivial compared to the export fee. Shipping from China to the United States requires \$30 per kilogram. The jacket weighed 0.8kg with packages included, which made a single jacket cost up to \$24. The production of a jacket alone was \$20 with labor and materials. Ms.Cao's embroidery, on the other hand, costs \$30 per jacket with a \$10 premium included. In total, the cost of one jacket is \$84. From the market investigation, the consumers' median willingness to pay was \$100. The producer surplus, in this case, was only \$16 per jacket. The \$256 profits from selling 16 jackets were acceptable to me only if they were not offset by the loss of losing four jackets during the transportation from Baixing to Guiyang, which I assumed was the result of bumpy roads. Overall, the project ended up in a deficit. Abakundakawa Cooperative, which stands for "Those Who Love Coffee", is an organization formed by 180 rural coffee farmers in Rwanda. Similar to Baixing, these farmers also faced regional constraints imposed by mountainous terrain. Like Ms.Cao, the farmers had to take the bags of coffee beans that they produced down the mountains to the urban centers, which was both time consuming and costly. Collectively, the workers built a local processing center where they could wash and filter the beans and sell them directly through fair trade channels. This eliminated the unnecessary transportation costs and saved more time for production. By working collectively and by building bonds with fair trade organizations, their incomes doubled in three years(Bacon, 2005). Baixing could have taken a similar path to the farmers in rural Rwanda. Ms.Cao could work together with other individual embroiders since there were more than thirty embroiders in her village or villages nearby. By working together, they could collaborate and produce with greater efficiency. A packing and delivery center in the nearest county could be established for direct international transportation, so there is no need to transport separately to Guiyang.

Historical Legacy

In 2024, Guizhou's GDP per capita was 55,000yuan(\$7,500). Even though it no longer belongs to what the Chinese government defines as "extreme poverty" through the national poverty alleviation project, it is still categorized as relative poverty. Baixing is poorer according to Ms.Cao. She told me that her household

income was only 5,000yuan last year because of the bad harvest. Even when the season was good, 7,000yuan would be the maximum. Clearly, according to the governmental standard of poverty, 5,000-7,000yuan is extreme poverty, and subsidies should be provided. However, systematic neglect and exclusion of minority groups prevented poverty from being addressed. The Yao minority, having a population of 2.9 million population, has been marginalized historically within the economic and cultural systems. Their economic activities are limited to farming and handicrafts, which are sold at low prices. In addition, their cultural symbols in the stitches are erased by consumers' insensitivity to Yao's culture, which makes this one advantage unable to be converted into more monetary gains. Despite the continuity of Han dominance, some minority groups like the Miao were able to reintegrate into the mainstream economy. Miao's silver accessories have been nationally recognized as products that represent the national culture and pride, and are sold in high end shopping malls and tourists markets as an ethnic brand at high prices. Gender roles aggravate the situation. According to Ms.Cao, she has to be in the farm collecting crops by hand during harvest seasons. It usually takes the entire day, so she has no time and energy to finish embroidering. When she is not so busy with the farm work and house chores, or not busy taking care of the children, she devotes herself to embroidery. However, the production cycle is so long and inconsistent since she, at best, can work on the project for two hours a day.

Miao, another ethnic minority group in China, has successfully overcome the historically continuous marginalization and has become a significant cultural representation. Their silver accessories, consequently, have become cultural products sold with considerable profits. They were only able to achieve the comeback in the market thanks to the provincial support that they received. Guizhou's cultural tourism have transformed a poor Miao village into a famous tourist site, Xijiang Qianhu Miao village, with a total revenue of 15 million from 2016 to 2019. The public voice spread rapidly and converted Miao's folk crafts into fine silver ornaments that represent national artistry. Their products became costly, even high-end, and gained greater market access over time. For Baixing, it is important that they receive provincial recognition and promotion. Once it is advertised by the cultural tourism department, the village will transform into a commercial place known for its unique culture and refined embroidery. Subsequently, premiums can be added, and the embroidery can even be marketed as luxury. Gender inequalities can be solved in a way similar to the approach adopted by female coffee farmers in Nicaragua. Women there have historically been excluded from leadership, which has lowered their status

and muted their voices in decision making. Together, they established Nicaragua's PRODECOOP coffee cooperative, which is led by women who protected their rights as not only producers but also women. They broke the pattern of selling coffee beans through local intermediaries and simply channeled their products to fair trade organizations by themselves. This significantly increased their income since useless intermediate procedures are eliminated, and their autonomy was enhanced as well (Bacon, 2005).

Power asymmetry

In the project, even though I've communicated with Ms.Cao weekly and tried my best not to intervene with her originality in regard to designs, I still held the final decision not only over the designing, but also pricing and marketing. Ms.Cao's agency remained solely to production which resulted in the power imbalance and created her dependency on me because without my collaboration, she would fall back to her initial stage or even worse because by working solely on my embroidery designs, there is a risk that her production preference is subconsciously reframed from local designs into designs to fit external markets, specifically the market primarily in a private high school in Austin Texas. If she adheres to this standardized design even after our collaboration, then she loses two markets at the same time: the one that I've introduced her to, and the local one where she used to be in. Another part of the imbalance exists in the narrative during the marketing process. To attract people's attention and attain their empathy, I marketed the jackets not by emphasizing her embroidery talents and local culture, but underlining the poverty in Baixing and the struggles that Ms.Cao is facing. I've given a narrative that portrayed her as a victim of systematic oppression, and that we were obligated to save her from it by buying the jackets. Even though my intention was to sell the products, I've also violated the fair trade principle of enhancing producers' confidence and dignity. Ms.Cao said to me implicitly that she was confused about my emphasis on her bad living condition and not her embroidery skills or the culture behind the designs. By doing so, I've created more sales by compensating her characters.

Kuapa Kokoo cooperative in Ghana provides a solution to producers' dependency. By creating a cooperative pool that pooled the harvests of over 100,000 individual farmers, it gave them collective bargaining power. In addition, the cooperative gave them direct access to the international market. All of them minimized their dependency on middlemen and free them from potential exploitation. To further cement producers' autonomy, during the collaboration with Divine Chocolate, a fair trade company in London, the cooperative secured 44% ownership for the farmers. This altered the position of the producers from

mere producers to co-owners of the company who had some extent of control over the trade. For Baixing, even though they don't have as many producers, they can still form a cooperative and create a pool and reach a co-own agreement with larger fair trade companies so that their dependency on me, a single outside intermediary, can be reduced (Steiner, 2013). In Chiapas, Mexico, Jolom May-aetik, a women's weaving cooperative, decides to control the narrative by themselves instead of letting the NGO's or other collaborators have the narrative, which risks portraying impoverishment and oppression instead of their weaving talent. Not only did they control the narrative, they also decided the designs. Unlike Ms.Cao, who solely relied on my designs to meet the demand of foreign consumers, the Chiapas producers decided to make designs that don't necessarily meet the market's demand but that represent their culture and identities (Stephen, 2005). Consumers, seeing their attitude and intrigued by their cultural products, made their purchase.

4. Solutions for Baixing

Central delivery station:

A local delivery hub should be established in Baixing. It serves as a place for the products to be stored, packed, and distributed directly to Guiyang. Instead of delivering individually, which is costly, bundled delivery is much more affordable in terms of per unit costs.

Cultural embroidery brand:

Embroiders in Baixing should collectively come up with a heritage brand and seek for provincial support or any sort of outside institutions that can help spread their culture and products. By doing so, their culture would be recognized as a new national pride and no longer be folk crafts. Premiums can then be added.

Women's embroidery union and foundation:

To stand for their rights, a collective force with female leadership should be established to balance the otherwise male-dominated community. In addition, a fund for women embroiders is indispensable to offset the financial loss from not being able to finish embroidering because of farm work or chores. These two combined would slowly transform embroidery from a part-time job that gives way to farm work and chores to a primary livelihood.

Online workshop:

To regain their control over narrative for marketing, a holistic digital workshop should be developed and let the embroiders have control over story-telling. By having autonomy over narrative and advocating for their culture, cultural pride and dignity can be boosted. It also enriches the products with cultural symbolism and significance rather than mediocre artistry that appear to be different

only because they are produced by poor producers instead of machines.

5. Conclusion

My fair trade experience with Ms.Cao uncovers the complexity of fair trade since geography, history, and power imbalance are all in the way of achieving fairness. On one hand, the weaknesses of fair trade, demonstrated by sociological analysis, include reproduction of producer's dependency, structural inequality, and fixation of gender roles. On the other hand, anthropologists alarm us of the unintentional harm of narrative farming, commodification, and cultural deprivation. The complexity makes fair trade unable to prevail if effective solutions are not made. The comparative cases illustrate the solutions to these problems, which are cooperative ownership, profit-sharing, and multi-stakeholder governance. For Baixing, embroidery is certainly able to have a share in the market; however, only by stepping through the barriers posed by geographical issues, history legacy, and power asymmetry can it be a solid fair trade product. Empathy for producers who are victims of unfairness and passion for the development of fair trade, though important, are only going to be constructive with enhanced transportation systems, institutional support, and direct connections between fair trade companies and individual producers.

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