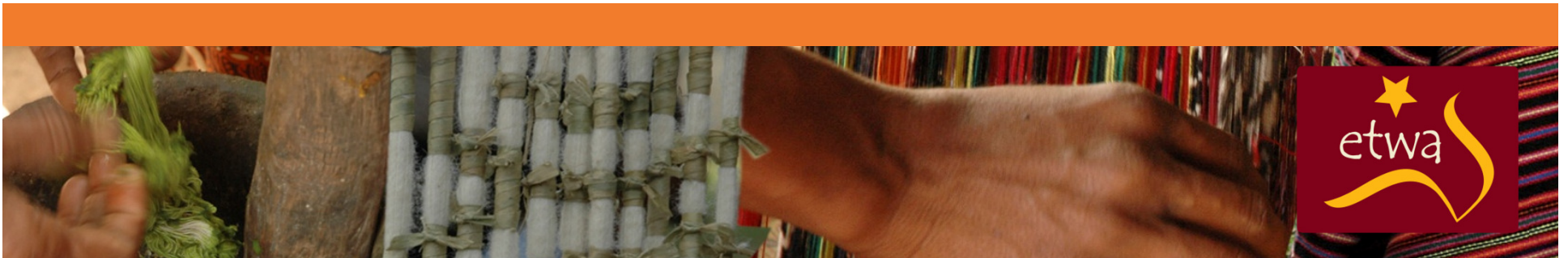


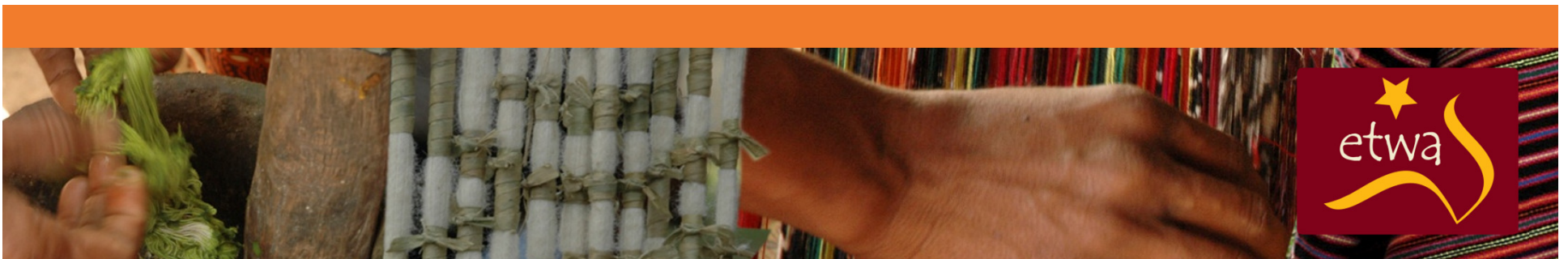
Fair Trade Pricing for Hand-Woven Textiles in Timor-Leste

Building better futures for
rural women and girls



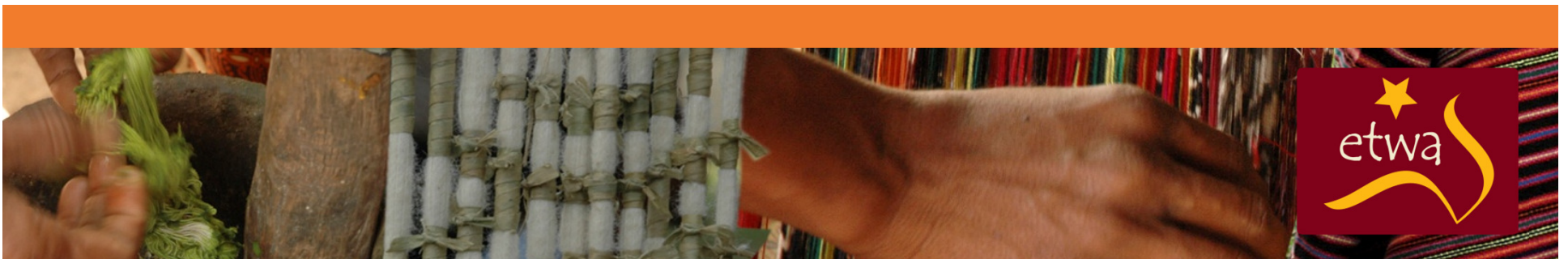
Who are we?

ETWA is a small not-for-profit with a big heart for rural women in Timor-Leste



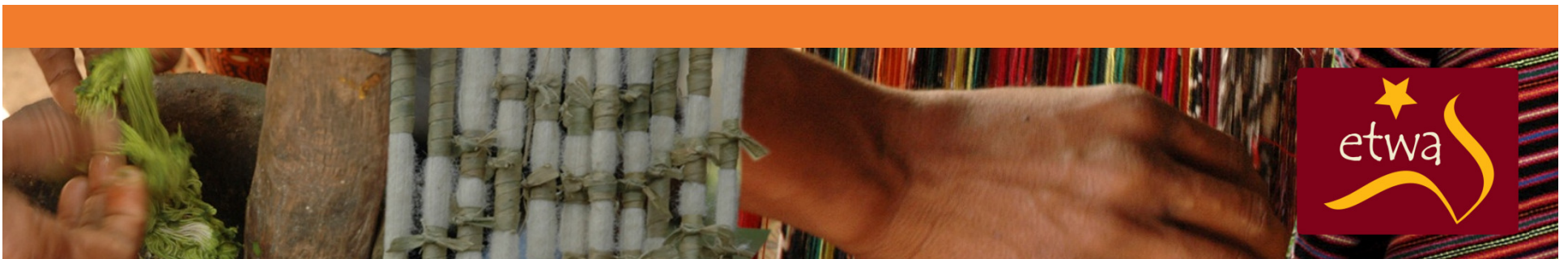
Iliomar: General Stats

- Population: 7,200 (3,440 men and 3,760 women)
- 8 in 10 families engaged in subsistence farming
- 96% of families still cook with fire wood
- Only 23% have sanitation
- No hospital and very few public services
- 50% of families have no cash income



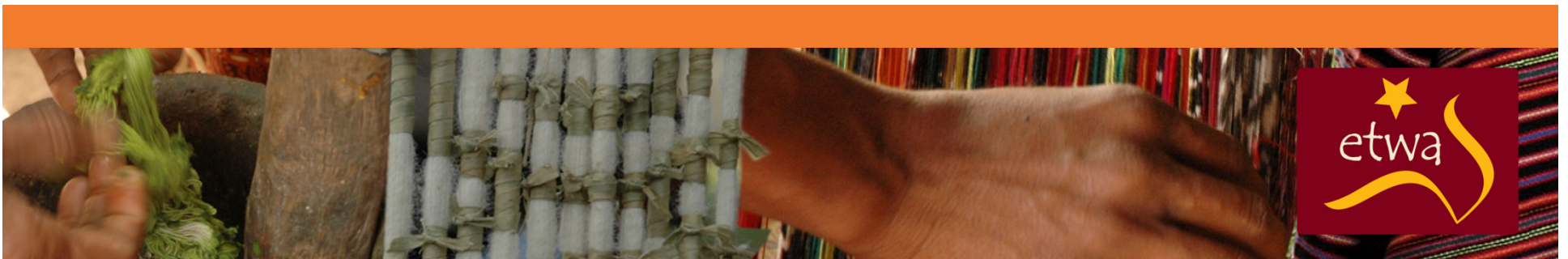
Iliomar: Women & Girls

- Less than 20% of women are engaged in any economic activity
- Half the female population never attended school at any level
- One in four women is illiterate
- **Less than 3%** of girls are enrolled in secondary school
- More than 50 % of women weave



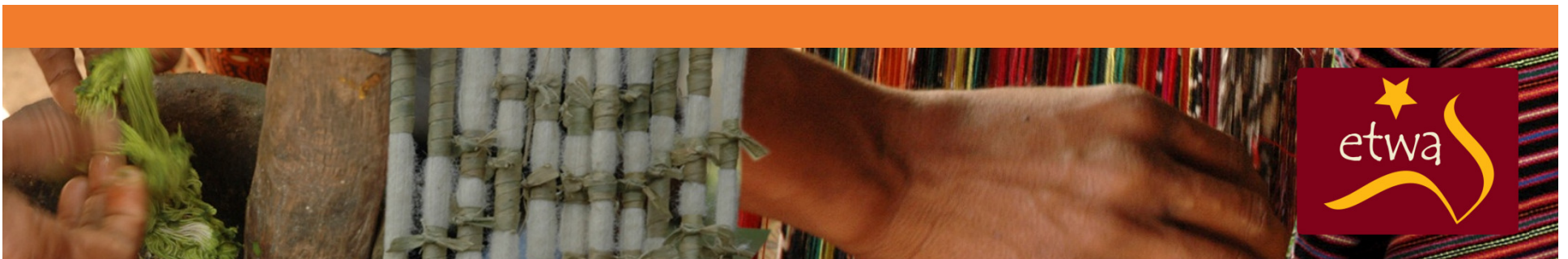
Our Partner: LO'UD Cooperative

- 80 LO'UD women from three communities
- Work with a cultural framework known as Fulidai-dai (loosely translated as embedded reciprocity)
- Consistent with international Cooperative principles
- Main income sourced from hand-weaving and tourism services



The problem: the price

- Pricing driven by immediate financial needs of weavers
- Women have extra-ordinary weaving skills but little business acumen
- Pricing is random with no sound economic base or rationale
- Structures not contributing to broader poverty alleviation



The solution: the price... but how?



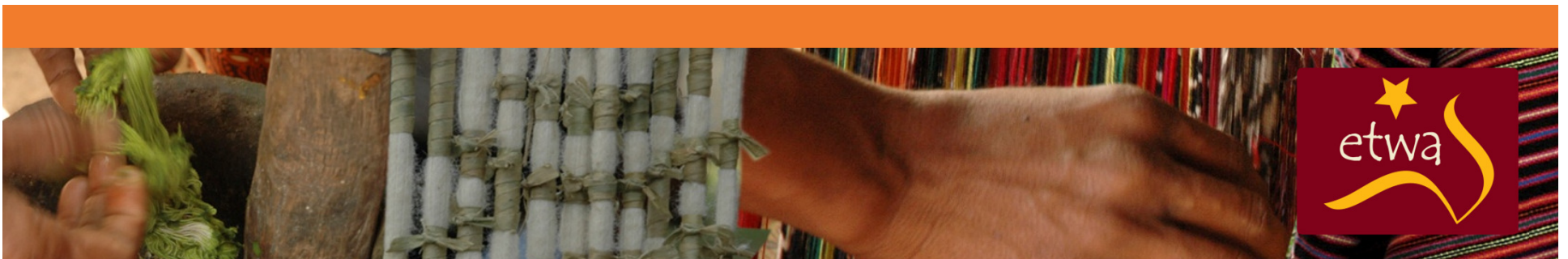
A conversation with key community leader,
Marcelina Pinto

Cotton cost: \$5

Production time: 2 weeks

Sales price: \$6

Profit?



The research

Two elements:

1. Supply chain, inputs testing & estimation, data analysis
2. Comparative Research (exposure visits to businesses in Dili and districts)

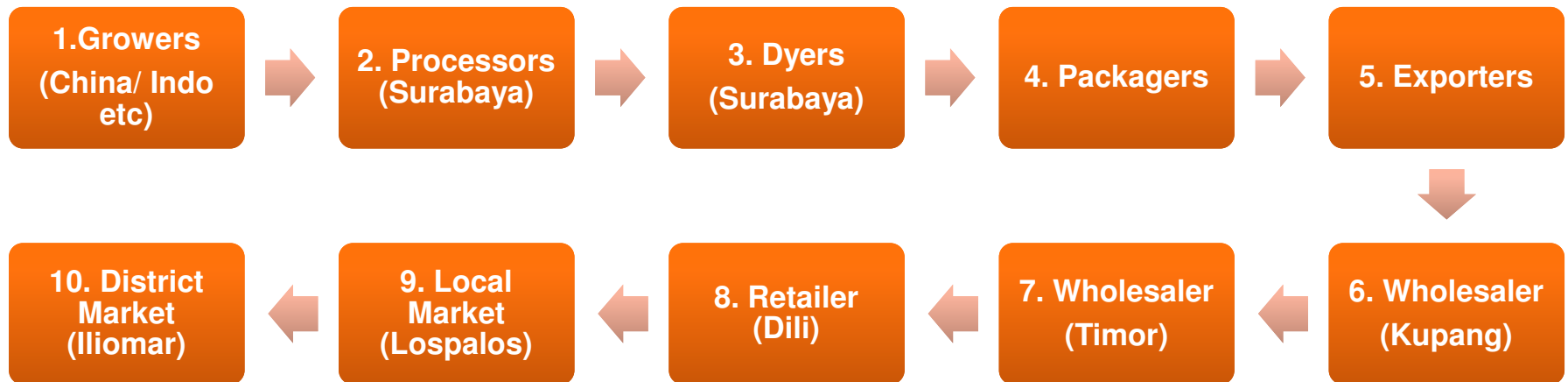
The local research team: Amelia, Regina and Onna



Supply Chain

Inputs: Cotton - two options

A: Indonesian cotton, commercially dyed

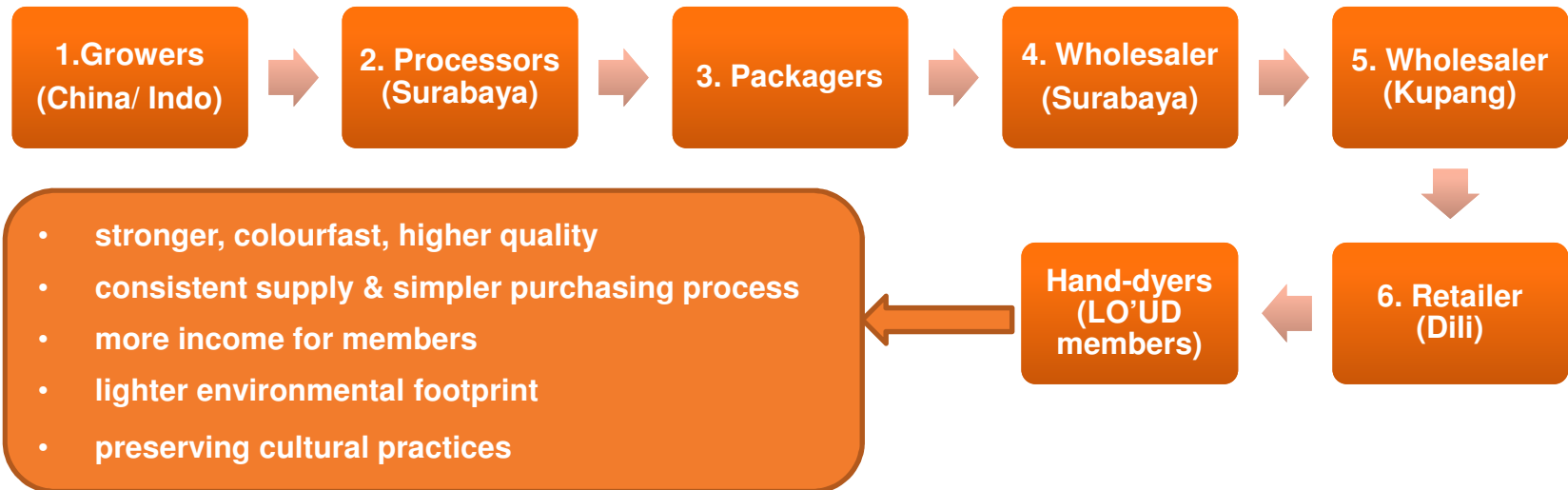


= Inconsistent supply, inferior quality, non-colourfast, expensive, toxic, climate miles



Supply Chain

B. Plant-dyed Cotton (imported raw cotton)



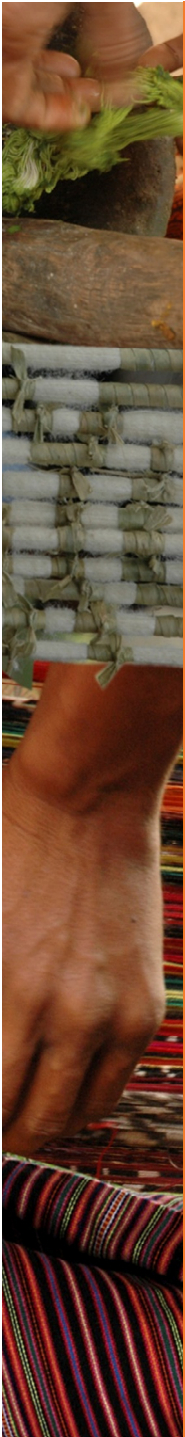
Time Trials

Data recorded for two product types

1. Tais Feto (large cloth approx 60cm x 240cm)
2. Selendang (scarf approx 18cm x 180cm)

Data Collected:

- Qualitative and quantitative data
- Collaboration with local weavers and research team
- Mean times used to determine production time for dyeing and weaving



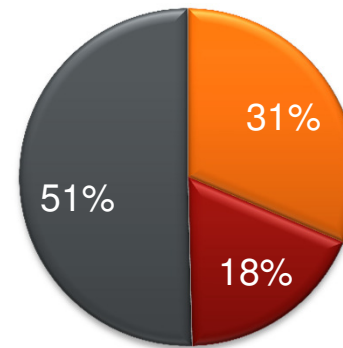


Average Production Times

Indonesian Commercial Cotton Tais

Tais Feto = 45hrs

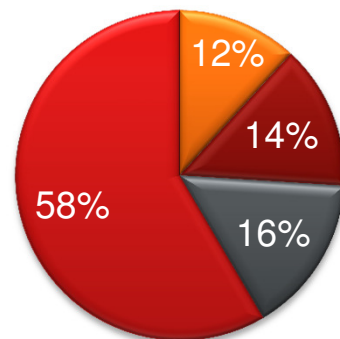
- Preparing warp thread
- Winding warp
- Weaving



Traditional Tais (plant-dyed cotton)

Tais Feto = 62hrs

- Dyeing
- Preparing warp thread
- Winding warp
- Weaving





Costing & Pricing for Fair Trade

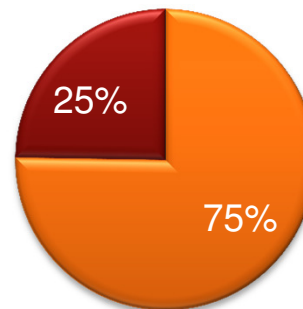
- Benchmark: National Minimum Wage (NMW) in 2011 (\$80/month = \$0.4625 ¢/hour)
- Raw spun cotton purchase price in Dili = \$0.57/ skein (\$0.70¢ in Iliomar)
- Dyeing = average 45 minutes/ skein

The formula: keeping it simple

Cotton cost + production time @ NMW = Cost Price

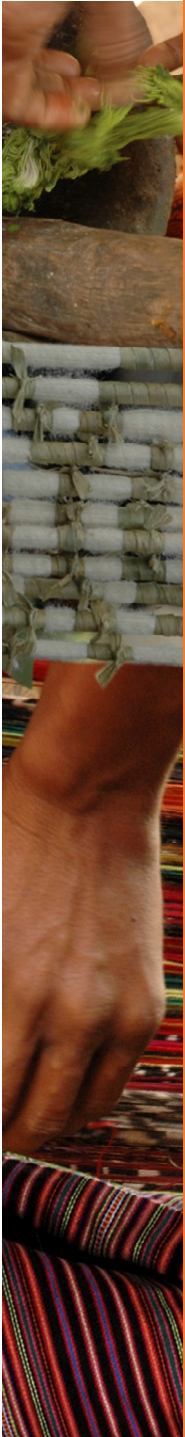
- Preliminary
- Does not include business overheads (currently subsidised by ETWA)

Labour & Cotton Cost %



■ Dyeing & Weaving Cost

■ Cotton Cost



Phase Two: Comparative Analysis

Aim: to explore various pricing structures & business models

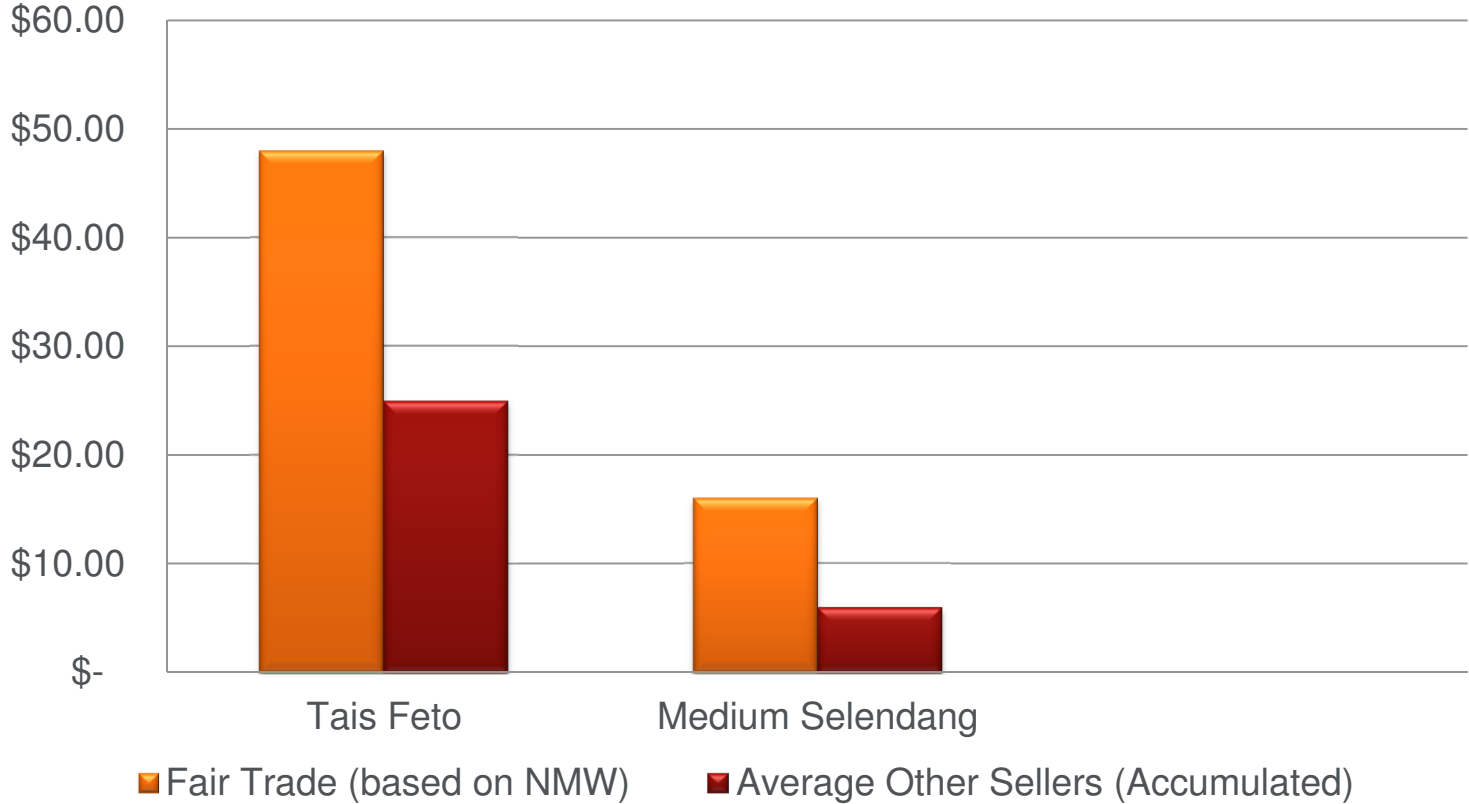
- Exposure visits to retailers and production houses in Dili and the districts
- Pricing and pricing models collected from nine retailers & wholesalers

The formula: keeping it simple

Price - cotton cost = price paid to weaver

Comparative Analysis

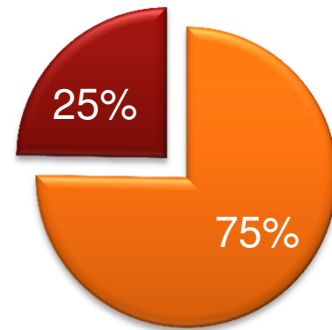
Purchase Price Paid to Producers





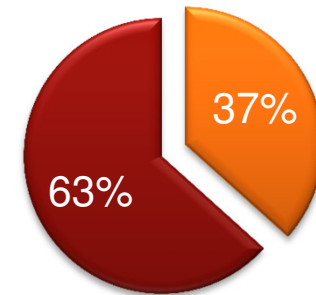
Comparative Analysis

Labour & Cotton Cost %



Fairtrade Pricing

- Dyeing & Weaving
- Cotton

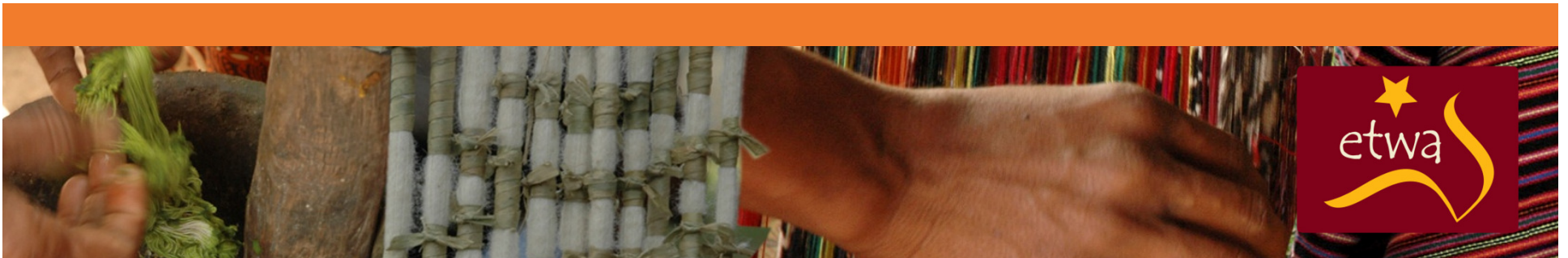


Non-fairtrade Pricing

Some producers in Timor-Leste paid as little as 5cents per hour

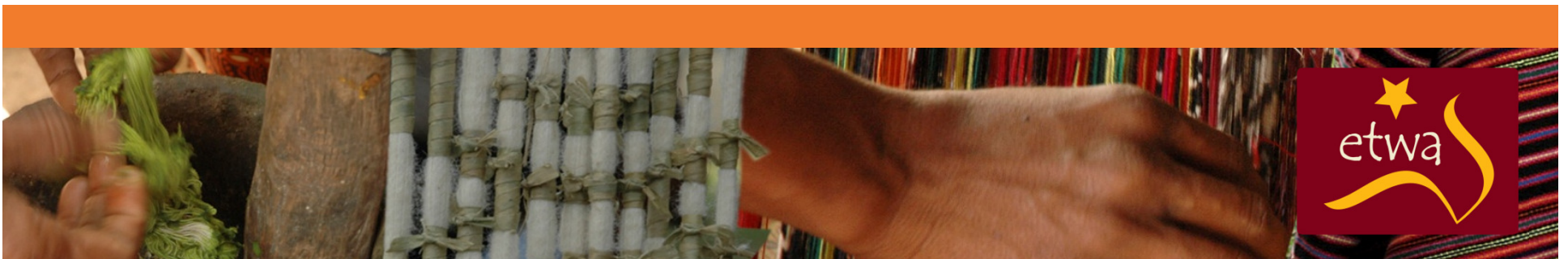


Why is this research important?



Nationally: The Facts

- Weaving is critical to rural women and their families
- More than 50,00 women either rely on or subsidise their income through hand-weaving
- On average they earn less than 30% of the national minimum wage (and often much less)
- Unprotected and vulnerable to exploitation
- Supply chain innovations required



What is ETWA doing to help inspire broader change?



FairTrade
NetworkTL



Jeitu
creative gifts & design



Fair Futures

For women & girls in Timor-Leste



**Fair Futures aims to embed
international fair trade
standards into the production
environment in Timor-Leste**

Fair Trade Standards

Sustainable Agriculture

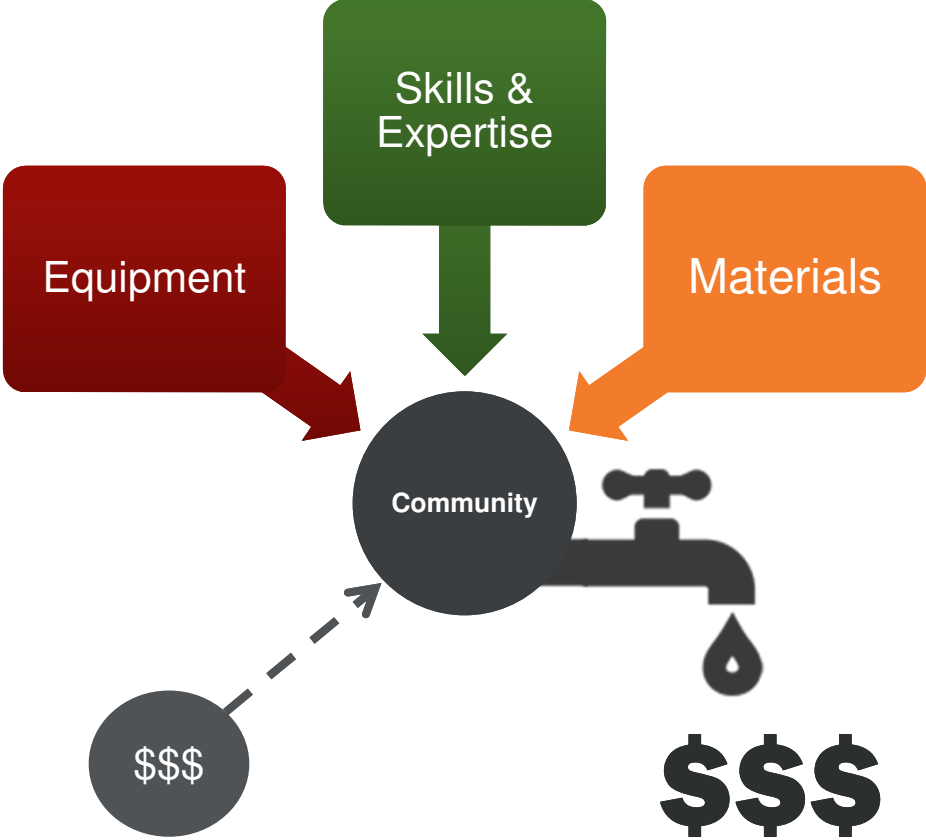
Education and Training

Preserving Culture

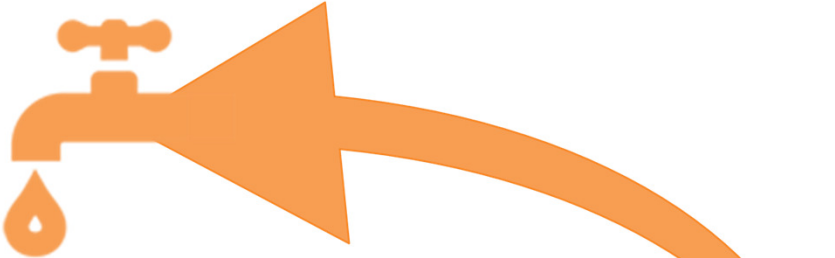
Poverty Alleviation



Standard Supply Chain



Localised Supply Chain





Fair Futures
For women & girls in Timor-Leste

Join us in Fair Futures!

www.etwa.org.au