

Collective Marketing

The Case of Handicrafts in Nepal

**Surendra Shahi
Chandra Prasad Kachhipati**

**International Centre for Integrated
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Preface

Development experiences in most of the mountain areas of the Hindu Kush-Himalayan Region, over the past decades, have shown that the prevailing predominant mode of their economies – subsistence agriculture – is becoming increasingly unsustainable both economically and ecologically. Diversification of economic activities into products and services, for which these areas offer a comparative advantage, through enterprise-based production for the market, is considered necessary for sustaining livelihoods and alleviating the poverty of the rapidly increasing population. It is in this context that ICIMOD established a programme on Development of Micro-enterprises in Mountain Areas with the objectives of identifying constraints and opportunities and developing policy, programme, and training guidelines for enterprise development in hill and mountain areas of the HKH region. As part of this programme, the Centre has commissioned a number of studies in different countries and areas of the HKH region with a view to documenting experiences of development and functioning of enterprises covering different aspects such as comparative advantage of products, processes, and factors in enterprise development, technology, credit, marketing, and development of entrepreneurial skills as well as policies and programmes by government and non-government agencies for promotion of enterprises.

The present paper '**Collective Marketing: The Case of Handicrafts in Nepal**', by Surendra Shahi and Chandra Prasad Kachhipati, is one in this series of studies. It is being published with the hope that it will be found useful by those engaged in research and development, policy-making, programme formulation, and implementation for the promotion of enterprises, as well as by present and potential entrepreneurs in their respective activities.

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Abstract

The present study describes and assesses the collective marketing efforts initiated in the case of Nepalese handicraft products over the last decade. Detailed analyses of the functioning of various producers and marketing organizations reveal that these efforts have helped large numbers of small producers scattered throughout different parts of the country by ensuring markets and fair prices and, as a result, resulting in increasing their production and income. Introduction of the principle of fair trade, with the formation of the Fair Trade Group, Nepal, has given additional protection and benefits to small producers.

The study also reveals that there are some basic problems, relating to raw materials, technology, and competition, in the case of several handicraft products, and that the collective marketing organizations can help to resolve them only to a limited extent. Within the collective marketing set-up, there are problems that are both organizational and which relate to the commitment of producers to their organizations. The study concludes that the collective marketing organizations and the fair trade movement need to be strengthened to ensure fair returns to the producers and bigger markets for handicraft products.

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Acronyms

ACP	Association for Craft Producers
ADB	Agricultural Development Bank
AEA	Alternative Trading Organization
ATO	Alternative Trading Organization
AWON	American Women's Organization in Nepal
BCP	Bhaktapur Craft Printers
CAA	Community Aid Abroad
CARITAS	Catholic Relief Service
CDO	Chief District Officer
CIE	Cottage Industries' Emporium
CIHE	Cottage Industries and Handicraft Emporium
CTEVT	Council for Technical Education and Vocational Training
EFTA	European Fair Trade Association
ECOTA	Effort for Craft Organization Trading Advancement
EZA	Alternative Trading Organization of Austria
FOB	Free on Board
FTG	Fair Trade Group Nepal
GDP	Gross Domestic Product
GEPA	Alternative Trading Organization of Germany
HAN	Handicraft Association of Nepal
HLH	Himalayan Leather Handicrafts
HMG	His Majesty's Government of Nepal
ICOMP	International Council on Management of the Population Programme
IFAT	International Federation for Alternative Trade
INGO	International Non-Government Organization
JWDC	Janakpur Women's Development Centre
KHARDEP	Koshi Hill Area Rural Development Project
LC	Letter of Credit
MBNPCP	Makalu Barun National Park and Conservation Project
NCOGSM	Nepal <i>Charkha Pracharak Gandhi Smarak Mahaguthi</i>

NGO	Non-government Organization
NS	Nepal Standards
OS3	Alternative Trading Organization of Switzerland
OXFAM	Oxford Committee on Femine Relief
RNAC	Roayl Nepal Airlines' Cooperation
RONAST	Royal Nepal Academy for Science and Technology
SAN	Silk Association of Nepal
SCF	Save the Children's Fund
SLC	School Leaving Certificate
TBDWC	Tehrathum Bansghari Dhaka Weaving Centre
TMMA	Tulsi Mehar <i>Mahila Ashram</i>
TPC	Trade Promotion Centre
UNICEF	United Nations Children's Fund
UNWO	United Nations Women's Organization
UNCTAD	United Nations Conference on Trade and Development
VLTC	Village Leather Training Centre
WEAN	Women's Entrepreneurship Association of Nepal
WSDP	Women's Skill Development Project
WSDC	Women's Skill Development Centre
VDC	Village Development Committee
VSO	Voluntary Service Overseas
VLTS	Village Leather Training Service

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