

Macy's Weaves Charity, Profit in Basket Business

From the Associated Press
October 14, 2006

NEW YORK — When Macy's decided to sell baskets made by Rwandan widows, the store was swayed in part by the prospect of contributing to a developing economy and in part by the women's tales of suffering during their country's 1994 genocide.

But Macy's was clear: This may have been charitable, but it was not charity. Baskets, woven from sisal and sweet grass, are inspected to verify they meet quality requirements and then paid for in cash on the spot. Macy's imported 650 baskets last year in a successful test run and bought 31,000 more to sell this fall in stores in New York, Atlanta and Chicago and online.

"This is a business partnership," said Ronnie Taffet, vice president for public relations at the store, a unit of Federated Department Stores Inc.

Such partnerships are becoming more common. Matthias Stausberg, manager of media relations at the U.N. Global Compact, says the organization has tried to show companies how these investments can be profitable and a good alternative to philanthropy.

Lloyd Timberlake, director of communications for the World Business Council for Sustainable Development, cited some partnerships with successful results, such as Starbucks Corp. and fair-trade coffee growers or DaimlerChrysler's investment in Brazilian coconut fiber to use in car headrests.

"It's not going to get very big," he predicted of the Macy's partnership, because, unlike the agricultural projects he cited, it wasn't responding to a need but instead carving out a small niche market.

But Willa Shalit, who started a company to import the baskets for Macy's, has seen the partnership succeed already.

"When you see the child of a weaver, they have shoes, clean clothes, school uniforms, more than one set of clothing," she said.

The money a weaver receives for a typical basket is enough to feed herself for a month. That sum is on average \$24, or about one-third of the retail price. Shalit estimates a weaver's income at \$4 a day (it takes roughly a week to make a basket), compared with Rwanda's average income of 56 cents a day.

Macy's partnership with the Rwandan women grew from perhaps an even more unusual one. The women used the traditional art of basket-making to reach out across ethnic lines after the 100-day genocide, during which at least 500,000 people were killed.

"In practical terms, basket-making is an opportunity for unity, for reconciliation," said Consolle Mukanyiligira, coordinator for an association of genocide widows, Avega.

"Sitting around doing nothing increases trauma," said Mukanyiligira, so Avega encouraged women to weave as a way of healing.

Pascasie Mukabuligo, a master weaver, saw the potential for these baskets as commercial merchandise and organized their sale at local markets. Noeleen Heyzer, director of the United Nations Development Fund for Women, then worked to establish an American market for the goods.

Karen Sherman, chief operating officer of Women for Women International, calls the project "holistic" because beyond fair pay, the weavers receive benefits such as healthcare.

Macy's has promised to buy the baskets for as long as its customers do. And the standards an international retailer sets for its partners are high.

Shalit's team says quality is not a problem. She contends that the women make the most refined baskets in the world. The traditional baskets are pagoda-shaped, with tightly fitting lids. Many are earth-toned, beige with jagged black designs snaking around them. But other egg-shaped baskets, with only tiny lids, have bright blue and pink designs.

Shalit and her colleagues are working to train more weavers and diversify their product.

Macy's has asked its team of designers to work with the women to create a spring line that will be fresh to customers but still consistent with Rwandan tradition.

These complexities can conspire to sink projects, said Isobel Coleman, a senior fellow at the Council on Foreign Relations. "You have these one-offs. A thousand baskets here, some Mexican clothes there," she said.

Even if this partnership does not last, however, Coleman and other experts said the weavers would benefit from having honed their skills to meet the quality and scale demands of an international market.

Those skills can then be put to use to find new outlets, even perhaps local or regional ones, which Sherman said should be central to any development partnership.

"Ultimately, a local market is more sustainable," she said, and the key to a different kind of "never again" pledge of keeping these women out of poverty.

INSTRUCTIONS:

- ✓ **Read article**
- ✓ **Write Reaction Paper [make sure you think long range!!]**
- ✓ **Print 2 copies**
- ✓ **Prepare discussion for class Monday, Oct, 23, 2006**
- ✓ **Turn in one copy on arrival in class**
- ✓ **Grade is dependent on your discussion behavior**