

Social Capital and International Business Networks: The Case of a Fair Trade Organization

Geldres-Weiss VV^{1*}, Soto MA², Ramos HR³ and Uribe CT⁴

¹Department of Management and Economics, University of La Frontera, Chile

²Fair Trade Business Area, Chol-Chol Foundation, Chile

³Nove de Julho University, São Paulo, Brazil

⁴University of La Frontera, Temuco, Chile

Abstract

When observing trade relationships governed by the principles of Fair Trade it becomes interesting to know how these organizations have grown and innovated to be inserted in a global market, generating international business networks for expanding their markets and products. The networks have received little consideration in Fair Trade literature. Social capital is defined as the relationships, expressed through social networks, personal contacts that individuals and organizations develop to allow them access advantages and benefits, which is an important factor to generate a competitive advantage. The objective of the research is to analyze the relationship among social capital and networks of international business in the field of fair trade, and the results of this interaction in the international performance of the organization object of study. The methodology used is qualitative exploratory. A case analysis of Chol-Chol Foundation in the Region of La Araucania in Chile was performed. The results show that the social capital developed by the organization, through the transfer of knowledge through families, belonged to the Fair Trade network and being able to rely on different national and international support networks, has allowed opening up to international markets where the increase in the number of countries, external customers and a wide range of products is remarkable. However, the organization has failed to maintain presence in the markets which puts at risk the existing networks.

Keywords: Fair trade; Social capital; International business networks; Social capital; Internationalization

Introduction

Fair Trade is an alternative approach to conventional trade that aims at sustainable development for excluded and disadvantaged producers, through the achievement of better trading conditions, by raising awareness and promoting products to customers. The products involved in this system are acquired in a setting where compliance with certain conditions is ensured, such as payment of a fair price - better than the free market - and decent working conditions for the producer. Within a competitive and unequal market, this alternative seeks to create equality in a global market in which, instances of cooperation and partnership are formed among small producers and organizations who work under these principles.

This trading system generates competitive advantages for producers as their products are able to be differentiated because they belong to such organizations, whose hallmark discloses the origin of the product. From another perspective, it is also an innovative instance for the end customer purchasing these products; as the customer values even more the fact that the origin of the product being purchased may be known, understanding and being a responsible consumer who socializes with this concept.

From the theoretical point of view, Fair Trade has been studied through the analysis of business networks to address global markets that have enabled this type of organizations to succeed in the market. The objective of the research is to analyze the relationship between social capital and international business networks in the field of fair trade, and the results of this interaction in the international performance of the organization under study. The specific research objectives are to identify national and international business networks, perform a SWOT analysis and analyze the international trade results of the organization. The case of Chol-Chol Foundation who joined the Fair Trade in 2005 will be studied.

To achieve the stated objective the article begins with the theoretical foundations of Fair Trade, business networks and social capital. The methodology used in this study is then described. Finally the research results are presented to end with the conclusions and research limitations.

Literature Review

Fair trade

The origins of Fair Trade are in the United States, in the late forties in the organization Ten Thousand Villages (formerly known as Self Help Crafts). The first formal Fair Trade shop opened in 1958 in the United States. On the other hand, in Europe the first signs of Fair Trade date from the late fifties when Oxfam UK started selling crafts made by Chinese refugees in their own shops, extending in the sixties to Holland and Belgium. In this country the idea of World Shops was born, in Spain they called them Stores of Solidarity or Solidarity Shops [1] or Fair Trade Shops [2]. In 1964 the first Fair Trade Organization was created. Parallel initiatives took place in the Netherlands and in 1967 the importing organization Fair Trade Original [3] was established. The Solidarity or Fair Trade shops perform according to Ceccon and Ceccon [2] two functions within the Fair Trade networks: one is to be used as a selling point and the other is to be a point of information,

***Corresponding author:** Geldres-Weiss VV, Department of Management and Economics, University of La Frontera, Chile, Tel: 56-45-2734065; E-mail: valeska.geldres@ufrontera.cl

Received December 11, 2015; **Accepted** April 13, 2016; **Published** April 20, 2016

Citation: Geldres-Weiss VV, Soto MA, Ramos HR, Uribe CT (2016) Social Capital and International Business Networks: The Case of a Fair Trade Organization. J Account Mark 5: 168. doi:10.4172/2168-9601.1000168

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awareness and dissemination and conducting lobbying around this concept.

The aim of fair trade as an alternative approach to conventional trade is the sustainable development for excluded and disadvantaged third world producers. This is intended to be achieved by providing better trading conditions and increasing awareness of the importance of supporting these underserved communities. It is based on dialogue, transparency and respect, which seeks greater equity in international trade. Fair Trade organizations are actively engaged in supporting producers, raising awareness among consumers, and are advocates for changes in the rules and practice of conventional international trade [4]. Some of the international organizations that accredit and certify products or companies are Fair trade Labelling Organizations International (FLO), World Fair Trade Organization (WFTO), European Fair Trade Association (EFTA) and Network of European World Shops (NEWS).

Davies [5] states that Fair Trade has begun to receive higher levels of academic interest from different areas: in the scope of market and growth, tourism, consumption, and merchandising. Also, the study related to the birth of the global value chain of quinoa (grain from the Andes, South America), enhances the interest generated in the academy on the study of this topic [6].

For Renard [7] Fair Trade label guarantees consumers that the product is sold under equitable conditions. Product quality is guaranteed and ethical values such as justice, equity sharing, solidarity and opposition to the dominant relations within the conventional market are considered. This quality is a social construction, oriented for consisting consumers who are willing to pay more if they are guaranteed that producers will get a better deal. According to the author the label contains information about the producers, a symbolic relationship among Northern consumers and Southern producers, who are often invisible in the market.

Wilkinson [8] argues that Fair Trade has often different trading strategies that can be complementary, for example alternative trade networks guarantee an outlet for products that cannot access labeling circuits, especially in the case of handicrafts, or for which there is no labeling system that applies at the moment. Furthermore, the labeling has allowed Fairtrade products to access supermarket shelves, with a consequent increase in global sales.

The authors Bezençon and Blili [9] state that Fair Trade shows three key players: marginalized producers (found mainly in the south); organizations that coordinate and promote Fair Trade; and consumers, regulating the amount of sales and therefore the number of producers who can enter the Fair Trade network. Bezençon and Blili [9] argue that due to the increase of the Fair Trade market, consumer support and positive attitude towards the concept, the distribution of Fair Trade products could represent an opportunity for companies either as a new niche or as a means to gain a competitive advantage by enhancing their profile of Corporate Social Responsibility (CSR).

According to authors Mori and Malo [10] the development and impact of Fair Trade are not independent of the relationships that exist among participants. In an agreement, it is important to consider the complexities inherent in an individual, organization, community, and likewise the type of product. The fair exchange emerges as a social construction with aspirations to create closer ties among all actors involved to limit inequalities within the trading activity.

According to Tiburcio and Valente [11], Fair Trade can be defined

as the set of socio-economic practices alternative to conventional domestic and international trade, which has generally unfair global rules especially for rural family producers. The authors point out that the practices of Fairtrade and solidarity must establish relationships among producers and consumers based on equity, partnership, trust and shared interest, pursuing the goals of gaining more equitable conditions for marginalized producer groups and enable an evolution in their practices and rules with the support of consumers.

This research focuses specifically on the Fair Trade organizations that were created with an ideology to carry out the trading of product lines with a profit. According to Davies [12] these organizations have been created, often by charities and alternative trading companies, with the dual purpose of: increasing sales volume/profit and sharing the ideological base. This is based on two principles: allow the development of producers using fair trade, helping them to grow through higher prices and community projects; and influence the change in the current market system to improve the conditions and income of the producers.

Business networks and social capital

Koka and Prescott [13] point out that companies in the course of their business activities establish a variety of relationships among companies, such as buyer-supplier relationships, strategic alliances, and membership in industry associations, among others, which allow companies to exchange a variety of information, knowledge and other forms of capital. The benefits of belonging to networks arise from the access to key information due to multiple ties with many partners [14]. Also, Ahuja [15] points to alliances and networks as a vital source of information necessary to maintain a competitive advantage, and stresses that collaboration can help in the development and technology absorption. Furthermore, the importance of networks lies in helping the company to react to environmental changes, reduce transaction costs and improve profitability [5]. According to this author, knowledge of networks, its importance for Fair Trade organizations and the use made of them is limited.

Davies [5] argues that networks have been studied in the supply chain between a Fairtrade company and its producer communities; in the use of networks to analyze the value chain within the Fair Trade, as is the case of Cafédirect [16]; and in the analysis of how Fair Trade has been communicated to the market. However, the networks have received little consideration in the literature of Fair Trade [5].

The relationships, expressed through social networks, as well as personal contacts that individuals develop throughout their lives, allowing them to eventually access advantages and benefits within their professional activities, is known as Social Capital [17]. The same authors point out that the possession of Social Capital is an important factor to generate a competitive advantage element as, corporate results do not depend exclusively on the strategies adopted, the quality of the goods or on the needs intending to cover in the market, but also on the Social Capital of who is carrying it out.

Business networks are a form of Social Capital that organizations carry out to achieve their development goals both locally and globally, as is the case of Fair Trade organizations. Davies and Ryals [12] argue that Social Capital refers to assets and resources created by and available through network connections that are generated among the groups and organizations. Networks are formed when individuals or organizations develop a relationship in which they begin to exchange resources in some way, share intellectual capital, or collaborate on some venture. The main ways in which an organization benefits from

these interactions are through the accumulation of knowledge or intellectual capital, which can lead to innovation, improving the skills and capabilities to meet the demands of customers. The authors suggest that the Social Capital could act as a risk reducer and a facilitator improving competitive advantage, which has an important role in the success of Fair Trade organizations [12].

In this research we refer to the definition of Social Capital of Davies and Ryals [12]: “a resource created by the networks, available through them, and derived from the network connections among groups and organizations that can be exploited for public or private interests.”

For the study of the international networks case the analysis on the business networks of Cafédirect in the UK was considered. This business network, present in the literature, is known for having evolved in the development of a business strategy to open new markets and sustaining successfully over time in the field of Fair Trade.

Cafédirect

An example of analysis of business networks developed by a Fair Trade organization is the study of Cafédirect [5], which arises due to the fall in coffee prices in 1989, which had a negative effect on smallholders. In response to this event, organizations such as Oxfam, Traidcraft, Equal Exchange and Twin Trading met in 1991 and formed the branded fair trade company, called Cafédirect. The four organizations were already involved in the distribution of Fair Trade coffee in the UK, but they realized that together could achieve much more.

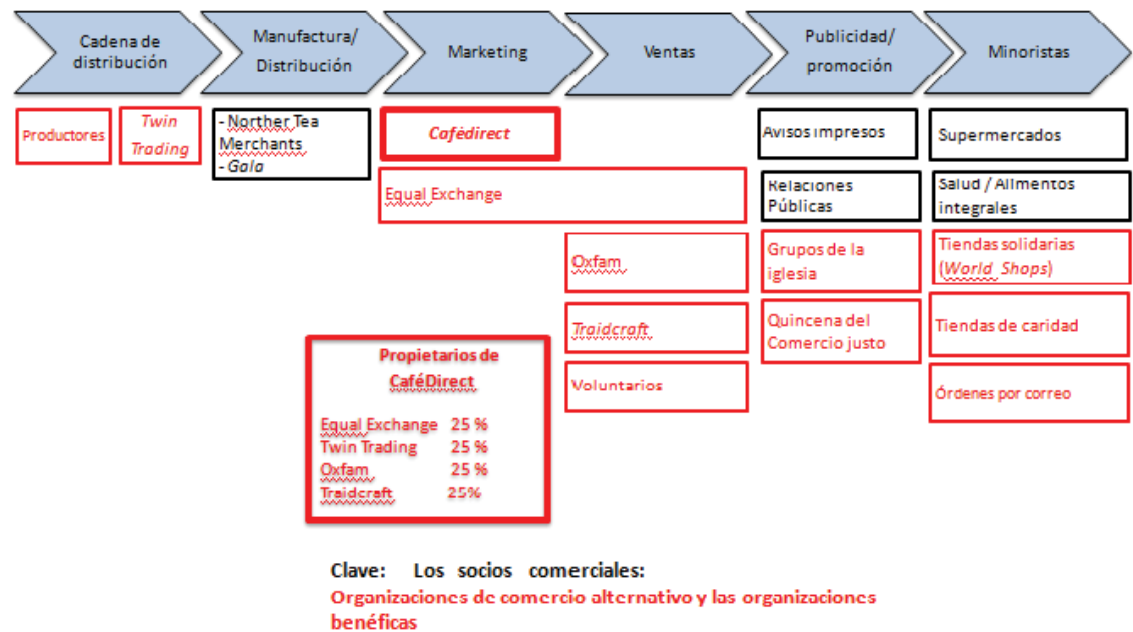
Cafédirect is developed in the international market through partnership with different smallholders, each in different stages of the value chain [5]. In the first phase the majority of its members were of the Alternative Trade Organization (ATO for its acronym in English); and supply activities, sales and marketing were carried out by other organizations. At this stage the business network inspires trading and the Cafédirect brand on solidarity (Figure 1).

The second phase of the company was market growth and development. For this they began to assume greater responsibility in sales and marketing. It began to disengage from the ATO to conduct retail sales of their products and advertise their brands. At this stage Cafédirect performed traditional advertising with posters and newspaper advertisements. It also partnered with other companies, for example, Coffee Fresh. To carry out market development of its own brands and the Fair Trade system, the distribution was expanded and Cafédirect increased its marketing resources with the introduction of a greater number of trading partners to the network.

Finally, in its third phase of development, the current business network for a mass market, Cafédirect developed advertising and promoting of its brand through cutting edge partners to achieve significant levels of free or reduced-cost advertising. The company also began to get involved in social movements that went beyond Fair Trade, as contributing to the discussion of climate change or civil war in Kenya. In this third phase, the influence of the founding partners of the company was significantly reduced. While these changes were made, Cafédirect went from private ownership to a public organization, reducing the share of each of the founding partners from 25% share to 10% share in the company. Thus, the company was concerned only on making trading connections (Figure 2).

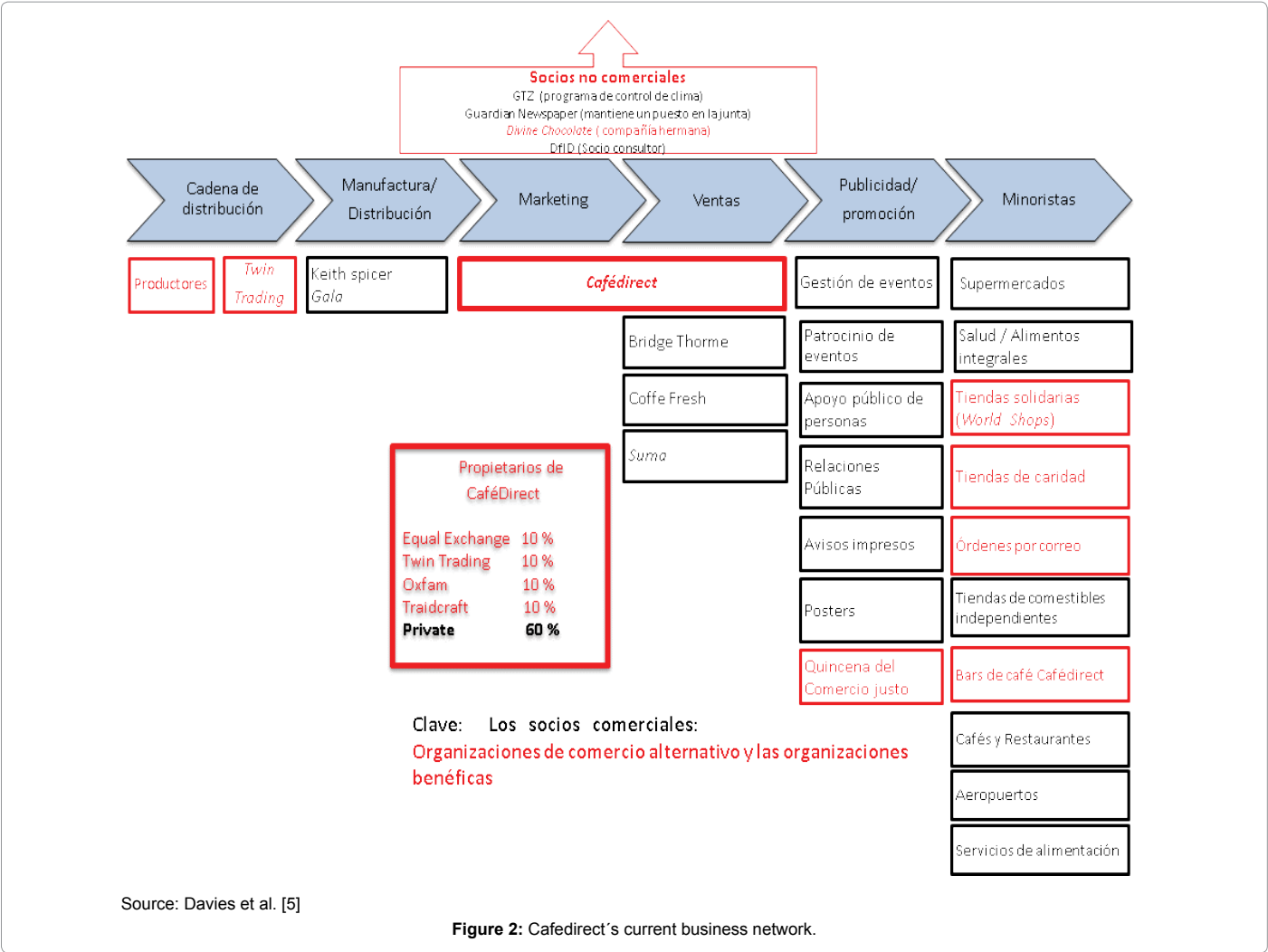
Methodology

The research methodology used is qualitative exploratory. According to Gil [18] the objective of exploratory research is to develop, clarify and modify concepts and ideas, considering the more precise formulation of problems and hypotheses for further studies. This type of research is adopted when the topic chosen is little explored and, on that basis, the process of hypothesis development is difficult. Among all types of research, these are the less rigid in their planning process. For the purposes of this study, this type of research was used to compare the pattern of development in the field of business networks of the Chol-Chol Foundation with the case of the Cafédirect international



Source: Davies et al. [5]

Figure 1: Cafédirect's original business network.



organization considered as a reference model network in the area of Fair Trade.

Gil [18] points out that studies that adopt an exploratory classification, often develop from a case study. This was the method chosen in this research. According to the definition of [19] "the case study is an empirical research that examines a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly defined."

The case study that was carried out was the Chol-Chol Foundation, through the personal involvement of one of the researchers in this organization, who worked as Head of Fair Trade for a year, she related with the producers associated to the organization, allowing in-depth knowledge of the different parties involved and having access to documents and interviews conducted by other researchers, as well as annual reports of the organization. Also participated in international and national trade fairs of Fair Trade, to sell the products and expand the organization's business networks.

In relation to data collection, the primary sources were obtained from in-depth interviews of the former Executive Director of Chol-Chol Foundation, Ms. Pamela Rios who held office during the 2002 to 2006 period and served during the time accreditation and certification as a Fair Trade organization was being carried out. The second

respondent was the current Executive Director of the Foundation Ms. Susana Ortiz, who has held the position from 2011 to date. These in-depth interviews were developed from a guide that was adapted for the interviewed subject according to the role within the organization.

Case study: Chol-Chol Foundation

The Chol-Chol Foundation, hereinafter CCF, has its origin in Chol-Chol Foundation, a nongovernmental organization established in 1971 with the aim of developing strategies to support Mapuche smallholders in La Araucanía Region in agriculture and forest. It was founded by James Ward Mundell an agrarian priest, who came to Chile as a missionary, specifically to the area of Chol-Chol belonging to La Araucanía Region, Chile. The cultural, social and economic context was characterized by rural communities where a high rate of poverty existed.

In 2000 the statutes are modified and acquires legal personality as a Chilean organization under the name of "Chol-Chol James Ward Mundell Foundation for Human Development", but maintains the original organizational goal, but with an independent management and based on a Chilean directory. The U.S. organization continues its activities as a volunteer advisory group. The Foundation's mission is "... to provide optimal working conditions, fair remuneration to the

associated producers, increased opportunities for education, and better marketing for the Mapuche artisan community” [20].

During the decades of the eighties and nineties, the work is mainly oriented towards the development of agricultural and forestry programs with international technical and financial support. The Foundation since the beginning developed different strategies to support Mapuche smallholders in the communes of Nueva Imperial, Chol-Chol, Padre Las Casas, Carahue, Teodoro Schmidt and Temuco in La Araucanía Region in southern Chile. The smallholders’ oriented program led to the training of Mapuche women mainly in the field of textiles. The support took the form of trainings conducted in these areas, with the goal of helping small farmers achieve own consumption for their families and thus to meet their basic needs.

The products traded by the Foundation are characterized by being hand-woven on a wooden loom, homemade, using pure sheep wool which was also handspun and dyed with vegetation that grows naturally in the ninth region of Chile. These traditional production methods are complemented by innovations that respond to modern trends and international aesthetic. The main product lines are loom woven, stick woven and decorating products. Decorating and crafts shops, private companies, state agencies, hotels and spa centers, and the public who visit the stores in La Araucanía Region are the domestic customers. Among foreign clients Fair Trade and decoration shops stand out.

Results

National business network of Chol-Chol Foundation (CCF)

Production: The main factor that influenced the development of the craftswomen was the interest of the women to be trained especially on the Mapuche textiles theme. So in the 90s women actively participated in the generation of income for the family and community. This was achieved through the international cooperation “Women Program” which gave them education and training, benefiting nearly two thousand women in the region until 2003.

The area that had the most impact was training in loom weaving, where the recovering of ancestral spindle spinning techniques, natural dyeing, symbology in the rugs and the use of Mapuche loom spontaneously arises. Thus, the first products were being generated, as result of recovering the Mapuche textile legacy, maintaining the tradition, and incorporating contemporary ideas, guided by instructors in textile crafts.

The “Women Program” also gave way to empower women to work as an engine for the family and its social and cultural environment. The cultural importance of the rugs weaved or Mapuche clothing is highlighted by Rekedal [21] who argues that these “.... are both commercial products as artistic works that have deep cultural significance. These are considered as handicrafts, therefore, have different functions: economic, as major items of trade in traditional Mapuche society; aesthetics, to encourage costumes and environments with colors and designs; and semantics, having symbols and materials with rich cultural and historical meanings. The Mapuche fabrics, understood in relation to the weavers who produce them, represent the specific circumstances of life, culture and economy of these women.”

The support networks of the CCF allowed encouraging and strengthening the production of the craftswomen especially regarding the Mapuche textiles. Thus, with the support of the German Embassy in Chile, training workshops on spinning and weaving were carried out, later the “Weaving a better quality of life” project that consisted of

a loan of 60 spinning wheels and looms to Mapuche women, plus a year of training in the process of weaving.

The empowerment of artisan Mapuche woman gives birth to an important social capital that women manifested through the creation in 2000 of the Indigenous Association NimeKafepuDomo, with a group of about 600 women textile producers who continue till today, but with a smaller group of 130 artisan working associates and living in rural areas.

Marketing: Thanks to the support networks the CCF receives a donation from “Aid to Artesans”, an international nonprofit organization, to increase the marketing of craft products. This Revolving Fund allowed, and still allows the purchase and sale of textiles, along with maintaining a system of microcredit of wool sheep, where wool of excellent quality is purchased and delivered to the producer through a credit that is returned in finished products or small sums of money. With the above, the marketing of the products of Mapuche women begins, setting woven textiles as the axis of the foundation.

Marketing started by creating a point of sale of their own on Foundation premises, where the commercial strategy developed during this period was to become known in the local and regional media, through the point of sale, as well as participation in local and national fairs. The Foundation’s National Business Network is represented in Figure 3.

International business network of Chol-Chol Foundation

Fair trade: The work done in productive aspects, the empowerment of women and their training and commitment of the management team, laid the foundation for the CCF to be a candidate for being part of Fair Trade. Thus, in 2005 the foundation was accredited by The International Fair Trade Association (IFAT, which in 2007 changed its name to World Fair Trade organization WFTO). This represented an important achievement for the CCF because it allowed advancing in enhancing the marketing of textile products of the artisans. Support networks were fundamental in getting the certification, which was achieved through the support of the Chilean organizations Share and Solidarity Foundation as they already had this hallmark, which offered their help and cooperation.

Fair trade production: Participation in the Fair Trade network generated the need to conduct training to develop and improve the products obtained until then. The innovation and improvement taxes made were in quality, textures, and terminations, including standardized measures among other, but kept the hallmark of originality and culture, with hints of modernity. In the field of production techniques participation in Fair Trade has contributed to the recovery of traditional techniques has strengthened the self-worth of indigenous people (Ortiz, 2011: 142) [22].

Fair trade marketing: Fair trade contributed positively to the marketing of products of the weavers, and to increase their social capital empowering them in their communities and families. Ortiz [22] points out that the craftswomen ensured that about 33% of household income was from textile production, which promoted greater participation of women in trade and production decision-making, thus greater appreciation by their communities and families.

Networks with fair trade: The Chol-Chol Foundation and other organizations in Chile created the South Fair Trade Network (SURES), which seeks to create alliances and business networks, sharing their work experiences that each one develops with small groups of

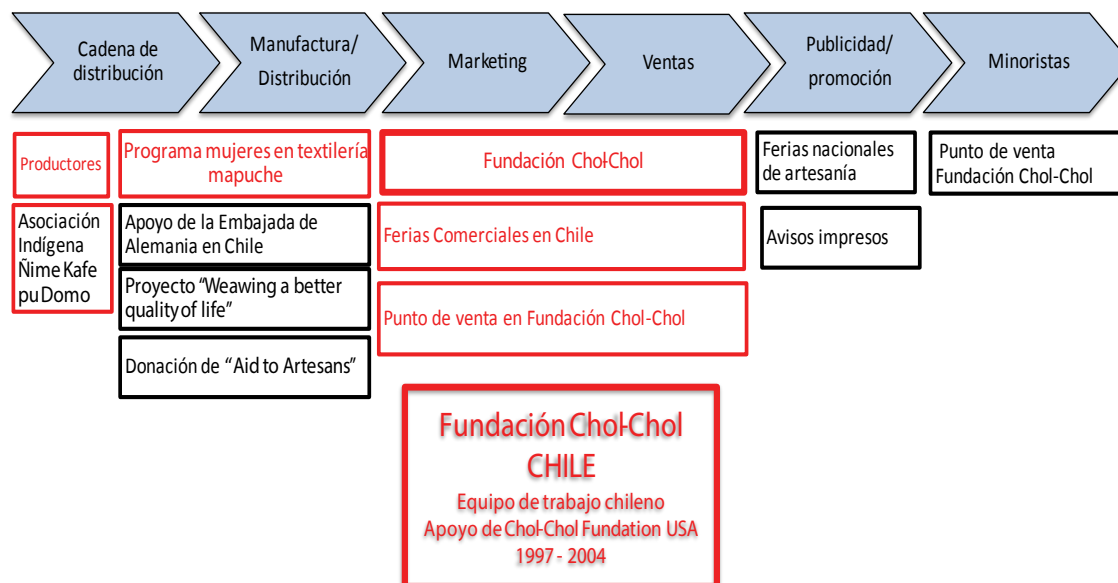


Figure 3: National Business Network of Chol-Chol Foundation.

producers. Moreover, it aims to promote the concept of Fair Trade, and its principles to be considered in organizations when organizing and marketing their products.

The social capital of CCF has not only given birth to opening the international market, that although incipient, is broad in terms of countries and products, but has also allowed to generate cooperation with other Chilean organizations, in order to transfer the Foundation's experience to them. This is the case of technical assistance and monitoring on education and ongoing assessment for the "Enhancing sustainable development of pehuenche communities of Alto Biobío through the production and trading co-management of pehuenche textiles" project (January 2011 - December 2013). Likewise, social capital has allowed strengthening the value chain of the CCF, through initiatives such as "Strengthening the value chain in textiles, by building workshops of family labor, for weavers associated with Chol-Chol Foundation" (March 2012 - March 2013).

The social capital of the CCF has focused on the value of craftswomen as a contribution to their own development, which is why the work of the foundation has focused on enhancing the value of women from both socially and productive points of view. Thus the "Women Program" is being developed which aims: to deepen and enhance the knowledge of women artisans, their skills, symbolic systems and rhythms of action, through training; encourage reflection and definition of roles, functions and competencies of each artisan woman involved in an initiative; support financial and management organizational skills that increase self-esteem, setting in motion respectful relationships towards women producers and promoting their protagonism on their initiatives; and strengthen the associative marketing of textile production through a Revolving Fund for Crafts, to allow women access to niche markets (CCF, 2013). The Foundation's International Network is represented in Figure 4.

Weaknesses, Threats, Strengths and Opportunities Analysis (SWOT) of Chol-Chol Foundation

Strengths: The quality and exclusivity of their products stand out,

which are produced in a traditional way and using ancient techniques of the Mapuche people, with colors obtained from native trees. This has been possible because the early years of the Foundation were devoted to the rescue of these ancient techniques and the transfer of this knowledge to different generations of women artisans, many of whom have been associated with the foundation between ten and fifteen years. The products have a hallmark of excellence that accounts for the transfer of the Mapuche culture in each of its parts, thus keeping the culture alive. All this has generated high standards of quality and exclusivity for their products.

Another important strength is the multidisciplinary team of professionals permanently within the organization who manage to keep the mission the founder always had, that is to work for human development of people, especially where there are no equal opportunities.

Having achieved membership and to have been certified by the World Fair Trade Organization (WFTO) and the International Fair Trade Federation, gives the Foundation's products a competitive advantage in marketing their products.

Support networks add strength to the Foundation. Nationwide they have a Chilean Directory; permanently working with the Department of Export Promotion Chile (ProChile); the Regional Museum of La Araucanía and the National Council for Culture and the Arts (NCCA).

Internationally networks with international craft fairs in the United States, Colombia and Germany have allowed it to network with other organizations and fair trade artisans, accessing specialized marketing channels for their products.

Finally, it is relevant for the daily work of the Foundation to have an office in Chile and one in the United States, which has a Board of Advisors.

Opportunities: They occur mainly for belonging to the Fair Trade Network which is a trend that is growing every day in the world, and there is greater social awareness for supporting communities with

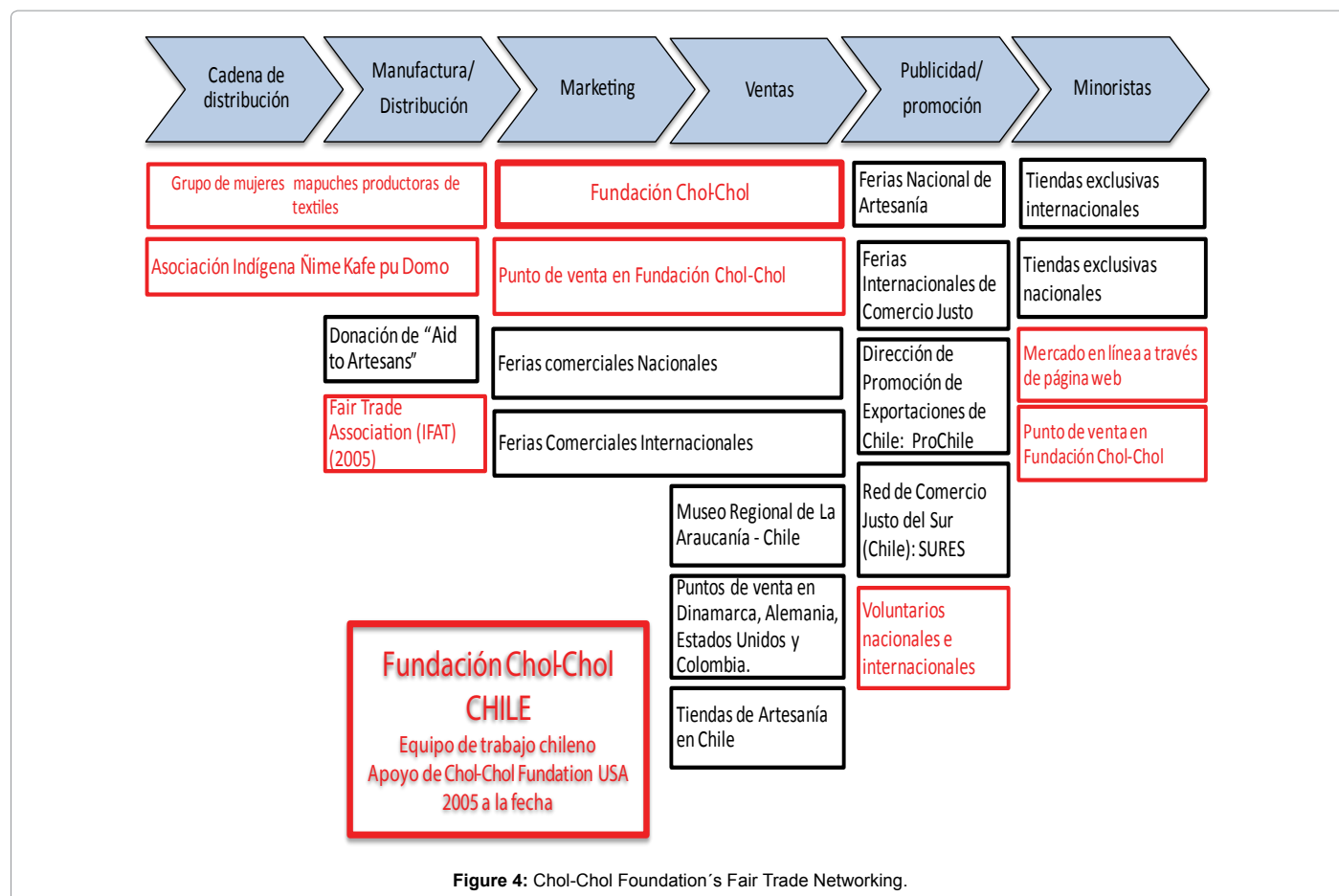


Figure 4: Chol-Chol Foundation's Fair Trade Networking.

fewer opportunities. Another opportunity is the number of volunteers interested in participating in the foundation, not only in Chile, but foreigners, especially from Europe and the U.S., who work in all areas of the foundation.

Weaknesses: National and international volunteers play important roles within the organization, but are not permanent. On average they participate in activities for a period of between 3-6 months. Another weakness is the difficulty in complying with the volumes of international orders due to the low productive capacity of the artisans. In some cases international orders have very specific requirements that cannot be met.

Another weakness is the lack of resources to finance the production area as well as to conduct trainings that enable greater efficiency in the process of developing products; lack of budget to invest in the business and production area, to achieve a steady offer from the artisans. Finally, the non-existence of a work area dedicated to marketing is a weakness for the organization, as the circumstances for generating long-term business strategies are not given which will allow increasing and especially keeping international markets.

The instability of exports and their concentration in a single country is considered a weakness, which slows the insertion of the foundation in the international market and its future growth. As an example, the period from 2009 to 2010 stands out in which 8% of sales were concentrated in the United States.

Threats: Reduced access to state funding due to increasing group

of women using the same weaving techniques and achieve very similar products. Another threat to the national level is the seasonality of sales, as the greatest number of visitors is recorded in the summer months with the arrival of foreign and also national tourists. Internationally, the main threats are the products with very similar characteristics, such as fabrics made from alpaca wool from Bolivia and Peru which also have very good quality and lower prices.

International performance of Chol-Chol Foundation

The international presence of the Foundation has been reflected in the increased participation in international fairs, generating higher sales in international markets and an increase in the number of countries where they sell their products.

The Foundation made alliances with the Department of Export Promotion in Chile, in order to seek financial support and international business management for their products. Through this network the Foundation made several business trips supported by ProChile, which are reflected in Table 1.

The Fairtrade certification opened several doors to the Foundation to participate in other international events and get support from other organizations to publicize their products, which is reflected in Table 2.

CCF's participation in international fairs in different countries in Europe, the U.S. and Latin America enabled it in 2009 a 20% of its sales to have been made in these markets where the most important was the United States. However, this international presence decreases to only 10% of its sales by 2010; the United States remained the main destination of exports.

Year	Destination Country	Activity
2007	U.S.A	Trade Mission
2008	U.S.A	Exhibition and sale of textiles in the U.S. in the Art Gallery "Silk Moon Art Gallery" in Sebastopol
		Visit to decoration shops and Fair trade of Executive Director of Los Angeles, San Francisco and Seattle.
		Exhibition and Sale of Chilean Craftwork in Museum of Latin American Art (Molaa) Los Angeles, California.
2009	U.S.A	Participated in the Trunk Show at the National Museum of the American Indian in Washington DC

Source: Chol-Chol Foundation [20].

Table 1: Promotion activities undertaken with the support of ProChile.

Year	Destination Country	Activity
2008	Spain	Participates in the "Second Artisan Product Exhibition" in Madrid; with the support of Foundation for Innovation of Crafts (Fundesarte) of the Spanish Agency for International Cooperation.
		Participates in the "Multicultural Women's Craft Fair" in Madrid; with the support of Foundation for Innovation of Crafts (Fundesarte) of the Spanish Agency for International Cooperation.
		Participates in the "Tenth International Interdisciplinary Congress on Women: Women's Worlds 2008" in the Complutense University of Madrid.
2009	Colombia	Participates in the "Mapuche, People and Living Culture Exhibition" organized by the Embassy of Chile in Colombia and the Museum of Arts and Culture of Colsubsidio.
	U.K	Participates in the "UK Knitting Week", Week of knitting in the UK, in collaboration with Trading for Development.
	Germany	Participates in "One World Life Adventure Salon" organized by Tollwood S.A. in Theresienwiesen, Munich.
2010	U.S.A	Participates in the "California Gift Show" at the Fair Trade Pavilion, Los Angeles California
		Participates in "Mapuche weavings" in Chicago Mart, Chicago, Illinois
		Participates in the "Living Earth Festival" at the National Museum of the American Indian (NMAI) in Washington DC.
		Participates in "Marketplace" under the Fair Trade Conference organized by the Fair Trade Federation of the United States, Boston, Massachusetts.
	Colombia	Participates as only speaker from Chile in "XX Expoartesanas of Colombia".*
	Germany	Exhibits and markets in "Tollwood Winter 2010" in Munich.

*An event that seeks to promote high standards of quality craft products with high design content.

Source: Chol-Chol Foundation [20].

Table 2: Chol-Chol Foundation's activities promoting international trade.

Exports as shown saw an increase in 2007 and 2008. However, these gradually decreased until 2010. Being U.S.A. the main destination of exports, the global financial crisis of 2008 may also have affected the CCF, every time their products are not considered first necessities.

The results show that the Foundation has had a successful international performance from 2005 to 2010 in terms of openness to different markets; increased the number and type of customers; and increased the number of products exported. Nevertheless, international sales have failed to be maintained in time.

Conclusions

The data analysis exposes a significant association among the social capital of the organization and its international business networks.

The social capital of the organization is its main strength expressed through the transfer of ancestral knowledge passed on through different generations, allowing the rescue of ancestral Mapuche production techniques; the founder's vision is still present in the organization; membership in the Fair Trade network with exclusive products; and having support networks in different areas. In the case studied the importance of Social Capital in the success of Fair Trade is manifested. The Social Capital generated by the Foundation throughout its existence has allowed it to succeed and grow involving producers in this process. International networks and participation in national and international trade fairs have enabled it to gain a place in Fair Trade and position its brand.

In the research the women's figure appears as an engine of development for their families and their culture, which led to the foundation to participate and be part of the Fair Trade; activity which

has become the core of the Foundation's business activities.

The Chol-Chol Foundation shows a business network developed in a manner similar to that of Cafédirect, in the sense it has based its success on the Social Capital generated by the organization. The difference between Chol-Chol Foundation and Cafédirect is manifested in the process of generating business networks, while Cafédirect originally used Solidarity Shops (World shops) and churches to be released on the market, carrying out marketing and advertisement campaigns with strategic partners to trade their products; the Foundation was created with the purpose of improving the quality of life of the families benefiting, training their producers and not for the purpose of trading their products. Business networks emerged later based on the need to support the trading of products and due to becoming a part of the Fair Trade. Business networks were generated by small organizations with similar characteristics, state agencies such as PROCHILE, museums, international organizations and Solidarity Shops (World Shops) in different parts of the world.

It can be concluded that this Fair Trade organization has built Social Capital through a wide and rich network of social relations that allows it to complement the cultural and human capital held.

In the field of market development it is necessary to ensure the product sales of weavers enhancing and expanding their existing business networks, generating new ones in the field of marketing, and developing human capital especially for small producers that make up the organization studied. It is important to point out that, being a part of the Fair Trade network allowed them to generate the current trading processes, however, the challenge is to sustain themselves over time, expand markets and create new products that meet consumer

demands.

The main limitations of the study are the lack of most current quantitative data on internal and external sales, enabling a comparison between the period without Fair Trade and after it. Another limitation is an analysis of the international projections of the organization, an aspect that could be addressed in another research.

Furthermore, future lines of research should also be developed to analyze other Fair Trade organizations in Chile and Latin America, in order to make comparisons regarding their social capital and international networks, where organizations and producers face similar problems.

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