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Practicing a kinder brand of capitalism

Entrepreneurs with soft hearts fill up growing fair-trade niche

AP Associated Press

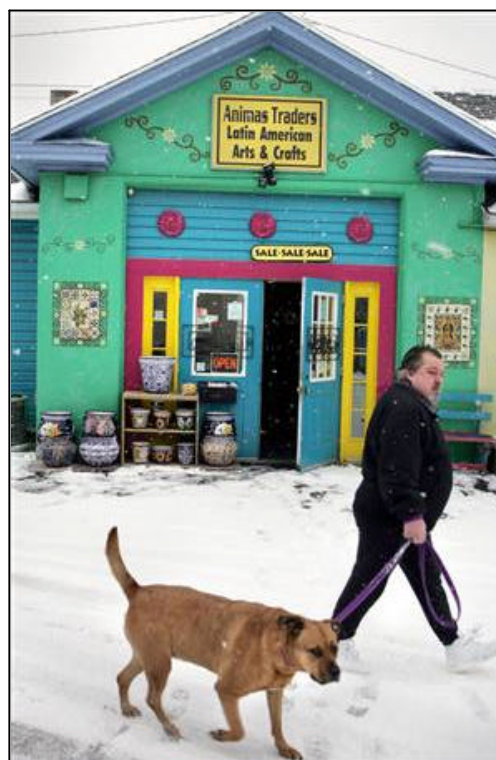
Updated: 6:51 p.m. ET Feb. 15, 2006

ROCHESTER, N.Y. - Teresa Fritschi seeks out artisans in hidden corners of Scotland, pays generously for their lamb's-wool blankets, Orkney driftwood chairs and organic-tweed jackets, and peddles their indigenous craftsmanship to a far-flung audience over the Internet.

James Potemkin is a kindred spirit who specializes in selling the rugs, furniture and art he finds in rural Mexico and Guatemala. And Raquel Marchenese fills up her One World Goods store with onyx from Pakistan, scorched gourds from Peru and scented soaps from a women's cooperative in Chicago.

They are a new breed of kindhearted capitalists: In a cutthroat global economy, they not only pay their suppliers more, but help them ring up extra sales by tacking on comparatively low markups.

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David Duprey / AP file

Ed VanDewalker takes his dog Scrap for a walk in front of Animas Traders in Rochester, N.Y. There is a fast-spreading phenomenon that aims to give businesses, cooperatives or solo artists in poor or marginalized parts of the world a fairer price for what they create and a more direct route into lucrative markets in America, Europe and Asia.

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They share a passionate belief in fair trade, a fast-spreading phenomenon that aims to give businesses, cooperatives or solo artists in poor or marginalized parts of the world a

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lucrative markets in America, Europe and Asia

"There's so many problems in the world," said Marchenese, a Filipino immigrant who draws on scores of volunteers to run her nonprofit store in an upscale plaza in Pittsford, a Rochester suburb. "I cannot move mountains but I can do the little bit that I do and I feel good about it."

Fritschi, 45, launched her Thistle & Broom venture last spring after losing a corporate marketing job and spending the next three years back home in western New York trying in vain to land another one. On a whim, she took a trip to Scotland and discovered its creative soul in locations as diverse as inner-city Glasgow and the Shetland and Orkney Islands.

Linking up with some 70 artists, many of whom have leaned on part-time jobs to earn a living, she began selling their one-of-a-kind apparel, tableware and textiles online.

What's unusual about her burgeoning business, which she operates for now out of Edinburgh and a temporary home in New London, Conn., is her determination to pay her partners what they're worth. They set their own prices — she sometimes has to prod them to charge more — and get 66 percent of the retail sale.

Fritschi said her usual 33 percent markups are far below the 200-plus percent norm in the homegrown-luxury-goods market. She expects to generate more than \$100,000 in sales in her first year and intends to set aside 8 percent of her profits for cultural-heritage and conservation causes in Scotland.

"In the grand scheme of world economics, this is a drop in the bucket but it's important for people who wouldn't normally be able to reach this kind of audience," she said. "I have customers from Norway and Sri Lanka and southern California, people who are never going to get on a plane and drive eight hours to get to some of these remote places."

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