

**Meaning and Progress in the Fair Trade
Movement**

by

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Abstract

As large corporations enter into fair trade and assume varying interpretations of fairness, confusion surfaces within the fair trade movement, in effect opening it to possibilities of perpetuating postcolonial understandings, social relations, and trade geographies. I explore how the fair trade network that exists has developed because of the convergence of geohistorical processes at different moments, which resulted in certain dominant movement participants being mediators of meaning. I then analyze whether unmediated exchange between consumers and producers in a fair trade agrotourism program in Nicaragua allows actors to identify common morality and goals. Using marketing propaganda, participant-observation experience, and surveys and interviews of participants within the Fair Trade coffee network, I find that when direct contact occurs between consumers and producers in Matagalpa, both participants end up with shared perspectives of fair trade, even as the debates about the nature of fair trade within the movement become more complex.

Keywords: Fair Trade, Nicaragua, coffee, consumerism, meaning, progress, development, critical realism

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Chapter 1

Introduction

Fair trade is a global movement that has promised both to change the rules of global trade and also “provide fair wages and good employment opportunities” (Fair Trade Federation) to disadvantaged peoples—two goals that have very different scopes and meanings. These two meanings are used in different ways. Advertisements and promotional material for fair trade use language that encourages the North American consumer to “help small farmers” to “improve their family quality of life” and use “sustainable” farming practices. The message to the consumer is that what she consumes directly affects others in another part of the world, and that by buying fair trade coffee or other products, these farmers receive a better price, and can keep being producers of coffee.

This is very different from what one will hear discussed among participants in the political and economic movement that is called fair trade. There exist what we can call gaps of meaning between the ‘bookends’ of producers and consumers, and the rest of the social movement, which is made up of secular and religious NGOs and student activist organizations that promote fair trade in their respective communities, and industry participants such as distributors, retailers, importers and, in the case of coffee, roasters of many different scales.

There are many organizations, cooperatives, and NGOs in the fair trade network that are attempting to chip away at this breach of meaning by implementing exchange programs, fair trade tourism programs, or internship programs that create opportunities for global north consumers to visit fair trade

communities, or for people from producer communities to visit communities in the global north. The question arises of how effective are these programs at bridging the goals, etc. of global north consumers and fair trade producer communities in the global south? When a consumer meets a producer, do they create a mutual shared meaning? Are their senses of what fair trade is very far off to begin with? Do these opportunities to create shared meaning also create shared goals and strengthen fair trade as a social movement and a network that aims to address injustices in the global trade system?

Fair trade and its context

The origins of the concept of fair trade are hard to pin down to any one place or time, and many parallel versions of the story exist (IFAT). But for practical purposes, we can identify the birth of the dominant idea of fair trade in the era after World War II in the United States. This dominant idea revolves around consumers helping disadvantaged farmers or artisans by voluntarily paying a higher price for a product. Faith-based organizations (including Catholics, Lutherans, Presbyterians, Mennonites, Anglicans, and Quakers) were key promoters of trade equity as a “Christian principle”. Organizations such as Self Help Crafts (now Ten Thousand Villages), formed by the Mennonite Central Committee, began selling crafts to support marginalized peoples in Palestine, Puerto Rico and Haiti. SERRV (Sales Exchange for Refugee Rehabilitation and Vocation, part of the Church of the Brethren) began by importing crafts from

Germany to the US after World War II in order to fund refugee relief efforts (Low and Davenport 2005:145).

In Europe the movement began in the late 1950s and 1960s with Oxfam in the United Kingdom, Fair Trade Organisatie in the Netherlands, and Dutch organizations that began trading sugar cane as a way of providing income to third world producers (IFAT). In the following two decades, NGOs in the Global South began forming relationships with these and other Northern organizations to create more equitable trade partnerships, mostly around handicrafts. This was parallel to a growing “Trade not Aid” global development agenda. Fair trade has been associated with development trade since the 1960s, and has always involved components of capacity building and training in addition to the equitable trade component (IFAT, Low and Davenport 2005:146). The first fair trade coffee was imported from Guatemala into the Netherlands in 1973 (IFAT), and coffee continues to be a major product in Fair Trade, although other products now include chocolate, rice, sugar, bananas, tea, nuts, spices, wine, and more.

Since the 1960s, a body of literature has appeared around the theme of consumerism and especially the fetishism of commodities. This has developed into a plea in recent years to radical geographers to “de-fetishise commodities, reconnect consumers and producers, tell fuller stories of social reproduction, and thereby provoke moral and ethical questions for participants in this exploitation who might think they’re decent people” (Cook 2004:642, quoting Harvey 1990:422). Harvey’s and Cook’s entreaty to us is interesting in light of fair trade,

how we talk about it, our understanding of what it is, and more importantly, our lack of understanding of what it is and is not.

There is a dominant narrative of telling the story of fair trade as if it were an inevitable succession of events and interactions between people and places; these stories are then recycled and reused, so that they become the accepted narrative, even in academic literature on fair trade. Even a good story can mask reality and lead us in a direction that is not necessarily good. Reducing the meaning of fair trade to its floor-price guarantee gives consumers access to participating in an act of justice, but it also creates a limit to how much good fair trade can do by defining it so narrowly. But we are limited anyway in how much we can change through acts of panglobal consumption. This is partly because we conserve our historical colonial relationships by perpetuating roles of consumer and producer even in the fair trade exchange, and one place continues to dominate another, dictating to it what it must be. Essentially, the solution does not touch the underlying structure of the global mode of production, with production and labor in one place and consumption and wealth in another.

This can be corrected, perhaps, by changing our expectations and our geographical imaginations of the place we are in and how it relates to those other places that produce what we consume, and to think of them not only in relation to what they produce but as part of a larger vision of the world, in which we are all participating in modernity and in which we all believe that we all deserve to do so. In this way we can make better decisions as individuals and as communities. Fair

trade's emphasis on establishing 'new social bonds' between consumers in the north and producers in the south (Murray and Reynolds, 2000) "provides an 'open window', which allows consumers to understand the social and environmental implications of production, consumption and the prices paid for commodities" (Golding and Peattie 2005, 157). But two questions arise here: to what extent can a consumer achieve this understanding through marketing, and how do they achieve this understanding?

Commodity chain analyses have been criticized as "presenting an overly static and deterministic view of agro-food systems" (Reynolds 2002, 406), and they often do not include consumers or the consumption stage in the analysis (406). It is important to "maintain a commitment to issues of power and politics" as well as recognize "the ideological as well as material facets of commodities and commodity relations" (Reynolds 2002, 407). To this end, in terms of fair trade at least, it is necessary not to see the commodity as existing in a chain in different forms, but as being a medium through which different participants interact with each other materially and ideologically in a network or social movement, as their power in the network allows them. Indeed, looking at the commodity this way allows us to see its geographic path not as inevitable, but as explicitly determined by the material relationships and politics in the social movement, or "always in the making" (Reynolds 2002, 408 and Whatmore and Thorne 1997, 228). I prefer to use the word movement rather than network, because network does not reveal the amount of political and ideological motivation that truly drives fair trade, whereas movement

does. Like any social movement fair trade is full of ideological and strategic conflicts and relations are constantly being remade as a result of the “simultaneity of structure and agency” in the social network of the movement (Raynolds 2002, 409).

In the fair trade movement politics, ideology and simple market logic determine how fair trade is made manifest at the two ends that actually have the least access to what fair trade means as a movement: the consumer and the farmer. What happens if these two participants in the movement interact directly? Do they achieve a unified vision of what fair trade is? Do their motivations converge? How does that compare to the discourse and actions of other participants in the movement, those that effectively mediate relationships between the consumer and the farmer? A community-based tourism project in four rural coffee-growing communities in Matagalpa, Nicaragua serves as a natural experiment to try to answer this question.

Methodology

I have been involved in fair trade for the last six years in different capacities, and much of this research is inspired by and based on experiences I have had and observations I have made in those different capacities and places. I spent three years (2002-2005) working with CECOCAFEN cooperative (The Center of Northern Coffee Cooperatives) in Matagalpa, Nicaragua developing and coordinating the community-based rural tourism project in four rural communities which contain five base cooperatives¹. CECOCAFEN is certified fair trade and has been selling its

¹ “Base cooperative” refers to first level cooperatives of coffee growers in rural communities. The base cooperatives in question in the study then articulate directly to a second-level cooperative, called the Union of Cooperatives San Ramon (UCA San Ramon), which is then also a member of CECOCAFEN.

coffee to the European fair trade market since 1994 and to the U.S. fair trade market since 1999. The tourism project was developed to bring consumers from the north to Matagalpa so that they could see fair trade in the field first hand and then go back to their own communities to promote it. My work there included training of families, infrastructure improvement in the communities, monitoring of the project, and coordination of all tourist visits, which included designing itineraries and educational activities in concordance with the goals of each group of tourists. My contact with the groups themselves was educational for me, as it revealed how many different groups of people were involved or interested in fair trade.

After I left Nicaragua in 2005 to start graduate school, I began working with one of those groups, United Students for Fair Trade, coordinating the international participation and programming for their annual “Convergence” meeting in which more than 300 students participate every year, and later, as their Industry Liaison. Working with USFT has given me the opportunity to participate in meetings and conversations that have revealed much about the functioning mechanisms and internal politics of the movement, which one can only glimpse from outside. I use many of my notes from those meetings and encounters to inform my study and conclusions.

The bulk of my methodology is based on more concrete and systematic methods. I use ten mental maps completed by movement participants to highlight and establish the divergence of meaning in the fair trade movement. I then consult many web pages, news articles, and promotional material to reconstruct the history

of the fair trade movement through the lens of structures of meaning and develop an alternative taxonomy of meaning in fair trade. I subsequently outline differences in meaning and perceptions from interactions and how this is threatening the social movement itself using personal notes as well as my colleagues' notes from meetings, interviews and emails with participants in the movement, and primary documents from Fairtrade Labeling Organization (FLO), and TransfairUSA.

My work in Matagalpa, Nicaragua draws from a baseline study done with the four base communities at the beginning of the project and an evaluation with a focus group from the four communities done about a year and a half after project initiation. This information is used mostly to reconstruct the history of the community-based rural tourism project. However, my data and conclusions are drawn mostly from twenty-four interviews with member producer families (men, women, and youth) in four communities, El Roblar, La Corona, La Pita, and La Reyna, all located between half-hour to two hours from the city of Matagalpa. Each of these communities contains one coffee cooperative that articulates to CECOCAFEN, with the exception of El Roblar, which contains two cooperatives, a women's cooperative and a men's cooperative. I also completed three interviews with CECOCAFEN managers, who work mainly in the city of Matagalpa. I also draw on brief individual evaluations filled out by visitors after they left the tourism project but before they left Nicaragua, a total of seven hundred of these. These proved not to contain much information that could inform this type of research, so I also sent out surveys to 492 visitors three to

nine months after they had returned home from Nicaragua, of which twenty returned completed surveys. The surveys focused on changes in their perceptions of fair trade and they provide the bulk of the data to inform my conclusions about consumer perceptions.

Summary of chapters

In the first chapter I establish the theoretical basis of the thesis, and lay out a critical realist approach to fair trade that incorporates theories of consumer and commodity culture and postcolonialism. I also draw on Robert Sack's ideas of progress to evaluate what kinds of progress fair trade can achieve. The second chapter reviews the scholarly literature on fair trade and identifies areas in the literature that could use more contributions, as well as how this thesis contributes to the large body of literature on fair trade in many disciplines. The bulk of the empirical research and analysis lies in the third and fourth chapters.

Chapter Three focuses on exploring the nature of the divergence of perspectives on what fair trade is and means based on ten mental maps. I then explore how the customary ways of perceiving the movement in scholarly literature through commodity chain analysis and actor-network theory are inadequate for understanding the divergence of meaning in the fair trade movement. In response to this I lay out an alternative ontology of the fair trade movement based on a taxonomy of meaning categories, and then address the weaknesses of this due to the rapidly changing politics of the fair trade movement, in which participants are allies on one issue and adversaries on another. Chapter

Four is the case study, and describes first the results of the baseline study done in 2003, and then the results of the interviews done in the four communities of fair trade certified coffee cooperatives and the evaluations done with consumers who visited the project. I conclude by relating the results of the study to questions of the future of the fair trade movement and to Robert Sack's discussions of different kinds of progress.

Chapter 2

Social Science for Social Change:

Constructing a Critical Realist Framework for Fair Trade

2.1 Introduction

In light of the fact that social scientists often work to understand social change, or in some cases to uncover the root causes of social problems, it is surprising how much social science is uncritical of the phenomena it describes. This is true of postmodernism as well as positivistic approaches. Positivism assumes linear causal relationships in a static world, and that the empirically observed is the same as what is real, or in other words that the observer is objective and that their conclusions will have nothing to do with the observer's context (Sayer 2000, 4 and Cruickshank 2003, 2). These assumptions and approaches often lead to false or inadequate conclusions, simply because causality of human phenomena is not necessarily linear, there are not necessarily universal laws which govern human behavior, and social scientists are not objective—they are human. In the case of postmodernism, an observer cannot even ask the big questions, since it is all relative anyway, and the possibilities of using different perspectives are opened up and closed before we can even do anything with them. How then can we be critical with either approach? To be critical means not only to form judgment upon something, but also to take into account all the evidence that exists about it so that our judgment does not only condemn but also creates a space wherein the condemned can be improved.

But social science can have an emancipatory potential, according to Roy Bhaskar (1986); however, that emancipatory potential requires us to ask different questions and have different assumptions about reality and our role in it, to “discover what the world must be like in order for knowledge and human action to be possible” (Soja 1989, 131). Critical realism, a philosophy popularized by Bhaskar in the 1970s and adapted to social science methodology by Andrew Collier, Andrew Sayer and others, was popular in the 1980s and then fell out of fashion in the realm of social theory. Its social science application was a response to the weaknesses of the application of positivism to social science, as well as to postmodernism, and includes a set of basic tenets that distinguish it and put it somewhere in the middle ground between the absolutism of positivism and the relativism of postmodernism.

In this chapter I will give a brief introduction to the philosophy of critical realism, and then move on to outline what it means to apply specific critical realist social science research methods to the study of fair trade. I believe that using critical realism as a framework to ask questions and perform analyses of social phenomena leads to better and more useful questions, and thus to better insight into the nature of social phenomena and, more importantly, how we can direct them in such a way that they do indeed contribute to the creation of a better world. I am incorporating an additional subframework by using the language and insights of the theoretical literatures on postcolonialism and commodity culture, and I will outline how I will use them in the analysis, at the end of this chapter.

2.2 The Philosophy of Critical Realism

Critical realism holds that the world is real but we can never fully know it; this is in contrast to postmodernism, which purports that the world is not real, and our only access to reality is through our representations of it (Cruickshank 2003, 1). Postmodernism is, however, very useful in getting us to challenge our ways of perceiving and thinking about the world (Sayer 2000, 6). Both Sayer and Cruickshank point out in almost the same words in the introductions to two different books (2000, 1 and 2003, 2 respectively) that the belief that there is a reality outside the one we perceive is very different from believing that we have unfettered access to reality, as naïve realism alleges. The idea of critical realism is distinct in that critical realists contend that there is a reality that exists outside our ken, but we can never fully know it, because we are limited by our perceptions and context.

Second, the methods and assumptions one uses in studying the natural world cannot be applied directly to the study of the human social world. One reason is that there exist in the human world structures and human agency—structures are emergent, meaning they are constantly in flux, and humans react (or have agency) in different ways, because they are self-reflecting and also capable of changing strategies (Sayer 2000, 5). This brings up interesting questions of how culture (a type of structure) influences an individual's or a society's manner of self-reflection and changing, and contributes a way of partially understanding the difference in places. Critical realism, then, purports that “selfhood is socially mediated but not socially determined” (Cruickshank 2003, 1)

Third, critical realism establishes necessary, rather than sufficient connections (Sayer 2000, 4). If we are using a positivistic approach, then we will be able to identify relations, describe a whole, and describe similarities and differences, but will not be able to successfully relate the parts to the whole in terms of explicit necessity (Sayer 2000, 17). How then can we say what the causes and mechanisms of social change are? This is especially dangerous when describing historical events or processes; it is too easy to describe the connections as inevitable, rather than speculate about what else was possible. Critical realism is a tool to help us distinguish what the necessary conditions are, to be able to name specific ideas that influenced an individual's or group's actions, where and from whom those ideas came from, and the exact conditions that needed to exist for those ideas to be activated with those particular people in that particular place, always recognizing that contingency is changeable and nothing in the human social world is inevitable (Sayer 2000, 14 and 1992, 61).

Bhaskar related realism to human emancipation by saying

“It is only if social phenomena are genuinely emergent that realist explanations in the human sciences are justified; and it is only if these conditions are satisfied that there is any possibility of human self-emancipation worthy of the name. But, conversely, emergent phenomena require realist explanations and realist explanations possess emancipatory implications. Emancipation depends on explanation depends on emergence. Given the phenomena of emergence, an emancipatory politics (or more generally transformative or therapeutic practice) depends upon a realist science” (1986, 104).

Bhaskar gives an incredibly lengthy and detailed explanation (full of symbols and equations) in his book *Scientific Realism & Human Emancipation* about the

dialectic of human emancipation, but the basic idea is that emancipation is necessarily a change in the intrinsic qualities of reality itself, rather than the way we perceive it. A change in the intrinsic qualities of reality can only be achieved by affecting the emergent structures that penetrate reality, and a realist explanation following the reasoning outlined above will correctly identify the nature of emergent social phenomena and thus will correctly identify what is necessary for emancipation, something that description cannot do alone.

2.3 Critical Realism and Fair Trade

Social science's emancipatory potential is dependent on its ability to help the human race reflect on its experience and improve its framework of understanding the world. The emancipatory potential of critical realism as a social science method has not yet been fully explored or utilized, or applied to current global social movements like fair trade. Different theoretical frameworks have been used to analyze fair trade and its impacts, including Actor Network Theory. Actor Network Theory is a framework with roots in science studies, which seeks to explain how networks function. Its strength in analyzing social movements like fair trade is that it approaches it as a multi-noded, nonlinear actor-network, rather than a linear commodity chain, as is prevalent in much of the literature. Its major weakness in dealing with a subject like fair trade is its lack of attention to why networks function in the first place and what overlying structures of morality, politics, or meaning influence the formation and functioning of the network.

A critical realist framework addresses the problems that other approaches have had when applied to the subject of fair trade. First, it constructs the methodology around the subject of study, instead of around a theory, and in this way helps to avoid predetermined conclusions (Lewis in Cruickshank 2003, 181 and Sayer 2000, 18). This includes how we conceptualize the actors or, in the case of fair trade, the stakeholders in the network/movement. In most studies of issues around Fair Trade, the actors under study are usually conceptualized as being nodes along the commodity chain: there are producers, exporters and importers, roasters and retailers, and then there are others that don't quite fit within the formal commodity chain but are described in the context of a network rather than a chain: the certifying agency, the NGOs and religious organizations that promote fair trade in the market place as well as support or finance community development projects along in both market places and production places, and the student and community activists that promote fair trade in their universities and communities.

Each group cited is referred to as a homogenous group, when in reality it is not. This means that within one 'node', there can exist different sources of ideologies that surfaced (or “sedimented”) at different points of time in different places and that became related to the concept of Fair Trade at that time because of a specific condition that existed and allowed it to be activated. So the beginning of an alternative taxonomy might not be based on organizing the actors according to function, but according to their temporal causal mechanism—when and why and through whom they entered the movement. For instance, many religious groups (e.g.

Quakers) developed the idea of fair trade after World War II to aid poor refugee communities that were affected by the war (www.ifat.org). This approach to fair trade comes from a philosophy of charity that was a type of emergent structure that was activated by destruction present at the end of the War and the attitude of charity that the United States and its people necessarily took to be able to rebuild Europe.

A related problem with network theories is that they are generally apolitical and do not connect the development of the fair trade movement to dominant political structures and philosophies. There is a dominant narrative of telling the story of fair trade as if it were an inevitable succession of events and interactions between people and places; these stories are then recycled and reused, so that they become the accepted narrative even in academic literature on fair trade. All kinds of contingent conditions are excluded from this narrative, conditions that actually determined the direction of the connections between actors and places through time, as well as where the coffee was coming from and where it was going. Incorporating these structures of ideas and politics, by exploring the structure-agency dynamic in the movement over time, into an alternative taxonomy of stakeholders in the fair trade movement, would effectively bring values, morality, and politics into the equation as drivers of the movement.

2.4 A Relational Critical Realist Framework: Alternative Ontologies

Castree concludes in his chapter on the nature/culture relationship (in Anderson et al, eds., 2003) that “what is needed...are Marxian metaphors that are rather more relational than those of articulation and dialectic (174). Nature/culture is

limited in its uses because it can never be concretely defined what causes what; thus description is possible, but solutions to problems are almost impossible. A relational metaphor might be structure/agency, but critical realists like Cruickshank hold that “the concepts which inform the meta-theory that defines structure and agency can only be developed via a critical dialogue with alternative social ontologies” (2003, 3). This means rejecting popular debates about how nature and culture interact, and how (if) they determine or affect each other.

Critical realists have a stratified social ontology that is complementary to the structure-agency interaction, and which includes the real (what materially *is*), the actual (what is *happening* in or to the real), and the empirical (what we can *perceive*) (Sayer 2000, 11-12). This allows us to be able recognize what our perceptions are, what we do not know, and maybe even how we know what we know. The potential weakness of both structure/agency and its complementary stratified ontology is that it is easy to leave nature out of the analysis.

Robert Sack offers us an alternative ontology that is simple but which recognizes and assumes that the world is complex and that any phenomena cannot be reduced to either structures (meaning) or agency (social relations). Sack possibly answers Cruickshank’s call for a “theory to explain how structure can influence agency” (2003, 2) with his relational framework. The framework has three realms, nature, social relations, and meaning, which come together in place, which in turn acts as a loom weaving the three realms together (Sack 2001, 108). ‘Place’ refers to systems of places that interact through the three realms. We must think of place in

this way rather than as a single defined location, because no place is that way in reality; rather, places are always linked, and having a greater awareness of how complex those linkages are will only allow us to contribute to complexity and richness of reality (Sack 1999, 37).

Dividing nature/culture into nature/social relations/meaning provides a mechanism for interaction between the three elements, which nature/culture does not; since it is missing the element of meaning (which generally speaking can include politics, culture, dominant ideologies, morals and values) which can influence how places and people interact with each other and how we interact with our environment. In other words, meaning acts much the same way as structures. Separating out the three realms helps us to recognize that role of meaning as a structure that influences our actions, or, as the anthropologist Taussig states: “...unless we realize that...social relations...are themselves signs...defined by categories of thought that are also the product of society...we remain victims of...the semiotic we are seeking to understand” (Taussig quoted in Castree 2003, 174). It is a way of organizing the structure-agency relationship that is more complex and actually identifies what a structure is and where agency can come from and what can be acted upon.

Sack is not the only scholar to organize an ontology of nature-social relations-meaning. Allen Pred has used a similar organization, according to Castree, who states that “for Pred, we must, in sum, trace the whole chain of connections from consumption (culture) through economy (social labour) to nature (use values) –

and back again – in an act of profane illumination” (2003, 175)—profane perhaps what we consume, what it is worth to whom, and what its effect is on the natural environment is normally obfuscated from us. Indeed, consumer culture rests on this condition.

2.5 Identifying Progress in Fair Trade

A major problem in the world of scholars studying fair trade is that no one can seem to agree on whether fair trade is good or bad; instead, researchers tend to take a non-position, and instead focus on questions of whether fair trade is having an impact on farmers. A critical realist framework necessitates restructuring the kinds of questions we have about fair trade. Of course fair trade is having an impact—any change in relationships between people in different places will have some kind of impact, but this kind of question leads us into a quagmire of relativism, into answers that sound like “yes, but...no”. The complexity of the world of fair trade—a social movement made up of stakeholders with sometimes very different geographical understandings and agendas—is what makes it difficult to come up with questions that will indeed yield answers that are useful for judging whether we are making progress in the world. So instead of asking questions about fair trade's impact, we need to ask what is necessary for fair trade to make progress. The answers will most likely be different in different places, but at least they will be concrete.

How to define progress? According to Robert Sack, “the good is real but ineffable...it is a compelling but continuously receding horizon with infinite paths to it,” and there is no “certain and fixed knowledge” about what is good (Sack 2001,

118). The most popular measure of Fair Trade as 'good' is usually its guaranteed floor price for producers, and this is usually how consumers relate to the concept. In fact, this is an historical idea of one of the many origins of the Fair Trade movement: a focus on providing alternatives that lie outside of the traditionally unfair and anonymous market, in which consumers and producers can consciously decide to participate. However, this creates a limit to how much good Fair Trade can do, by placing it in well-defined box of floor-price guarantee; it would mean that the problem would be identified as 'farmers receive low prices for their products'. Fair Trade is reduced to its social relations and the reasons for those social relations—the structures and geohistorical processes that enacted or actualized those structures are not included. The good we can do is reduced because causality is reduced to one element. Indeed, even the reduction to social relations is inadequate, as the relations seem to only go in one direction in terms of benefits received—from consumer to producer. Using an assumption that the good is unknowable allows us to begin imagining that we are all affected by participating in a process called fair trade, in ways we have not imagined, and how to best use that fact to create progress by sharing our geographical imaginations of fair trade.

A critical realist approach leads you directly to the necessity of differentiating between intrinsic and instrumental progress; by establishing the necessary relationships between two elements, places, or events, one is immediately confronted with this relationship when solutions are thought of, and it cannot be denied with the evidence right in front of you that any solution that does not take structures into

account is inadequate and does not in any real way address the problem at hand, whatever it is. Intrinsic progress would be progress that creates a more varied and complex world that is full of places that encourage us and allow us to want to know more about its variety and complexity (Sack 2002, 121).

If fair trade is only getting people to think about what they buy, then it is creating progress, which is “change in the direction of a goal...that acts as a lure, drawing us in the right direction along a never-ending journey” (Sack 2002, 113). It does this by getting people to be curious about what is real, and asking questions whose answers can then further reveal reality to them, helping them to make more moral decisions about what they buy or even if they will continue to be consumers in the same way. This can be considered a type of intrinsic progress, because it is getting people to see how complex the world really is.

In fair trade, instrumental progress (Sack 2002, 119) might be when consumers buy more fair trade products—they are creating progress in reality in that farmers or artisans are now able to sell more of their product at a better price and thus can live better. But this kind of progress does not address the underlying problem resulting from the interactions of different places through nature, social relations and meaning, which is why those producers are disadvantaged in the first place

This requires thinking about Fair Trade not only as a process that changes disadvantaged producers’ lives, but also consumers’ lives. It is a given that “individual and collective actors both shape and are shaped by network relations”

(Raynolds 2002, 409); this is not necessarily a research finding. The next step is to define how exactly that happens, what its material results are, and what that means; in other words, what kinds of progress are achieved in all places involved.

The difference between intrinsic and instrumental progress in fair trade can also be illustrated in a specific example that is heavily debated in the movement, which is the question of the entry of large transnational corporations into the fair trade, a debate which is essentially splitting the fair trade movement into distinct camps of meaning and practice. The debate is centered on what kinds of progress we want to achieve with fair trade. One side sees fair trade as part of a larger social justice vision that is impossible to achieve without restructuring how we relate as human beings. This involves humanizing trade relationships through the promotion of small businesses that cater to local clientele, using the point of sale to educate consumers so that they question their role as consumers, and partnerships between producer communities and consumer communities. These ideals are not compatible with how a large transnational corporation does business, which is essentially profit driven, a quality which is seen to dehumanize relationships, or even promote violence.

This is very much in contrast to a point of view held by Transfair, USA, the licensor of fair trade in the United States. TransfairUSA as an organization sees the certification of products owned by large transnationals as positive in that it addresses one of the great challenges of fair trade, that this niche market is still very small and there are more cooperatives eligible for fair trade certification than there is demand

in the market for their products. TransfairUSA is faced with pressure from producer groups to find or grow a market for them and has gone forward with selling licenses to large transnationals like Coca Cola and Proctor and Gamble to alleviate this pressure and give more farmers access to the U.S. fair trade market.

Progress is very simple to achieve for the second camp, since the problem is a very simple one of price and market access. The reality posed by the first camp is very complex and the solution involves recognizing a lot of things about ourselves that we don't necessarily want to see, or that we feel we cannot change as consumers. But maybe this is the problem: we are limited in how much we can change as consumers. To say that we can make the world better by buying the right products is to reduce the problem to what we are purchasing in the first place—which just is not the case. To really create change we need to look beyond the supermarket shelf, and this is one of the challenges that fair trade faces as a market based system of creating justice in the world—it is promoting an instrumental solution (higher prices for farmers) to a problem which is systematic, and thus intrinsic.

2.6 The Challenges to Progress in Fair Trade

According to Sack, “Places that help us to become more aware can increase our capacity to do the right thing, and places that diminish awareness can reduce this capacity” (Sack 2001, 119). The big challenge in creating places of consumption that reveal reality lie in the nature of those places themselves (Sack 1992). First, for a consumer wanting to do the right thing while making a purchase decision, it is

necessary that the place where she is buying and consuming a pound of coffee, for example, reveal reality. What kind of reality does she imagine between her and the coffee? She imagines that the farmer is on his farm, receiving a minimum price that allows him to send his children to the local school in the village, that he faithfully nourished the coffee plants until the cherries were red and ripe. She might not be able to imagine what happens when the coffee leaves the farm, only that it is processed and shipped to somewhere in the US, where it is roasted and sent to the supermarket shelf so that she can buy it; this is what the popular advertisements, media, and even activists say about the journey that coffee makes. This is what the consumer reads on the package. Similarly, the farmer in his cooperative perhaps has little knowledge of what happens to the coffee after it leaves the farm; he does know that Fair Trade provides him a better price, and that someone is enjoying it somewhere. But the meaning transmitted between producer and consumer is mediated by other people in other places. This will be discussed further on in the thesis.

The point is that the complex network of places involved in the production of coffee or of its meaning is not revealed to either our consumer or our farmer. They both imagine a place where coffee is either produced or consumed, but the supermarket aisle, indeed the city where our consumer lives, does not reveal the richly complex and varied realities of the plethora of coffee producing countries, its places of processing, transport, distribution, promotion and the hundreds of hands it passes through, and similarly the same realities are not revealed to the farmer, though

I argue that advertisement is an intentional attempt at creating a meaning that does not perfectly reveal reality.

Placing this in the context of the world, the whole system of places is segmented and fragmented, and through its geography, social relations, and the resulting imperfect and partial meanings created, it obscures the nature of reality for all actors involved. This is especially true if we look honestly at the issue of power in the global fair trade network. Although fair trade might be achieving both instrumental progress through the sale of products under fair trade terms, and intrinsic progress by getting consumers to think about their relationship with people in other places, it is still very much the certifying organizations, the northern NGOs, and even consumers who wield much of the power, determine standards and how fair trade is done, and who can participate. In this way, even Fair Trade activists and consumers, with their good intentions, run the risk of creating a “tyranny of one place over others to create a landscape of sameness” (Sack 2001, 122).

Another challenge to progress in fair trade is modernity itself. The problem is that the development of mass consumption in the modern era (in the form of the department store) was democratic and enabling, but also made consumers more passive, not so interested in the craftsmanship or relationship with the seller (Sack 1992, 139). This creates an inherent tension in the consumer herself: she is accustomed to buying products from nowhere, but at the same time, social mobility, a phenomena of modernity, leads to “more fluid and often impersonal relationships” and we look to products to place us within or separate from a certain group (123). A

consumer defines her relationship to a coffee producer by buying a pound of coffee and thus believes that she is affecting progress through her purchase. Thus the purchase maintains her as the consumer and the coffee producer as the producer, never anything else. This limits the kinds of progress that can be achieved by fair trade as it currently stands: as long as the consumer sees her role in this equation only as a consumer benefiting some one else in some other place with her purchase, the overall progress will be strictly instrumental in that other place as well as in her place. It is a false image, really, for the consumer to imagine that they can effect large-scale change through their purchase; the danger is that once the consumer sees that the progress achieved is not what they imagined, they might become disillusioned and reject the idea of progress altogether.

This is the root of what we can call Geographical Disappointment. It is a phenomenon of modernity, and the product of unrealistic expectations created by systems of places that obfuscate reality. Promotional literature creates a context out of the product, through images. This context is a representation of the nature, meaning, and social relations that are woven together by place. But the representation is imperfect, and often portrays an idealistic place, or an idealistic person, perhaps the farmer, as well as an idealistic commodity chain and an idealistic farm (Sack 1988, 648). The meaning created is also then idealistic, rather than realistic. The effect is that when a consumer visits the farmer, she finds not what she imagined, but something else, and she is disappointed, a disappointment that results directly from her lack of geographical awareness, and from her living in a place that

does not reveal reality. Similarly the coffee farmer might be disappointed by his encounter with the consumer, because his imagined reality of wealth, Coca Cola, and movies falls apart, and he is disappointed. If reality were revealed, they both might imagine the other as simply *human*, and as complex and conflicted as they themselves are. Then, perhaps the solutions they invent would be based in reality, rather than false geographic imaginations, and would actually function to the ends that they were designed for. It is important to remember that the responsibility of becoming more geographically aware lies with each of us, so that we may each ask the question of what kinds of places we need to create in order to generate more geographical awareness, less disappointment, and make better decisions.

But our identities are so tied up in what we buy that the very idea of creating progress through consumption is complicated. Sack explores how the consumer's world works to bring together and isolate places and people (Sack 1992). He writes that "the use of the public, objective, geometrical contents of space makes it difficult to convey the specific and emotional contents of place and thus tends naturally to emphasize their generic qualities" (1992, 96). That is, media transforms information and it (especially television) homogenizes views of places, creating simplified identities for them (1992, 97-98). This generalization or homogenization of the identity of a place allows it to be more easily fetishized or consumed, or even just communicated as a context. The place where we consume is also a context that is sold along with the product. In the case of coffee, it is two places being sold or fetishized; the place of consumption and the place of production: it is the

commodification of difference, as bell hooks describes it (quoted in Cook and Crang 1996, 145): we can only become who we are by putting others and other places into a geohistorical box effectively crystallizing their identities into one that we can consume. Advertisements describe the material setting in a single instant...[and] frame this place with no reference to its location or its past and with no connection to other places either in the real landscape or in the context of the medium where the ad appears". Nothing is out of place, as consumption can move anything (1992, 127).

The consumer's world is connected to the producer's world, although the contexts in which we consume disguise these connections or distorts them (Sack 1992, 104). Consumption integrates or differentiates places, but it does not tell us how they are related to each other (Sack 1992, 110). This is the element of nature. This geographic segmentation isolates individuals and their activities from one another and thus contributes to a world of strangers (Sack 1992, 113). This is social relations interacting with nature. Modernity means that the consumer has "the freedom and the burden to create meaning" and leads to the "loneliness of creative individualism" (Sack 1992, 112-113). This is the meaning that comes out of the nature of differentiated places and the isolation of the social relations involved in consumerism.

But we don't necessarily have to lose hope that there is another way of living in this hyperconnected, globalized, modern world. In fact, "...the very fact that we can describe the consumer's world means that we can rise above it. True, the consumer's world is disorienting, but it does not have to be our only perspective,

despite what postmodernists claim” (Sack 1992, 171). Cook and Crang argue that we can use the fetish of otherness to create progress, rather than fight it, by “emphasis[ing] commodities' biographies of distribution and production”. If we trace the paths of commodities like coffee, we “can point to all too many histories of colonial conquest, exploitation and duplicity in the tropics, as well as contemporary conditions of production, to counteract them” (1996, 146).

2.7 Postcolonialism, Commodity Culture and Fair Trade

Although marketing materials would have us believe otherwise, it is impossible to talk about fair trade without talking first about why it exists in the first place: these histories and geographies of advantage and disadvantage laid out first by colonialism, and then in the modern era by postcolonialism and transnationalism, laced liberally with doses of economic neoliberalism. A critical realist relational framework gives a way of organizing our conceptualization of the reality of fair trade in such a way that all of the possible factors that we can perceive as contributing to a phenomenon are incorporated. However, we need some other ideas to help us explain how exactly those elements interact and to be able to name them more specifically. The literatures on postcolonialism and commodity cultures can lend language and a geohistorical panorama in which to set this analysis, in the same way that Marxism is inadequate by itself in explaining the world but can be an “important ingredient” in understanding it (Sayer 2000, 5).

Postcolonialism can mean many different and often contradictory things (Sidaway 2002, 11). It can be a description of the “historical condition of people,

states, and societies after colonialism” or it can be “a movement or set of theories, ideas, and practices committed to anticolonial struggle, to moving beyond colonialism” (Ryan 471). The first is a description of what has happened and is happening; the second is a normative turn on the same idea—how to we make it right for everyone, especially the colonized? Ryan notes that the second option is the “most widely recognized within contemporary Anglo-American geography” (2004, 471). Sleman gives an alternative usage of the term postcolonialism: the period “that locates a specifically anti- or *post-* colonial *discursive* purchase in culture, one which begins in the moment that the colonising power inscribes itself onto the body and space of its Others and which continues as an often occluded tradition into the modern theatre of neocolonialist international relations (1991, 3 quoted in Sidaway 2002, 13). This is not to say that postcolonialism is a “single condition” (Sidaway 2002, 15); on the contrary, there are too many examples of obvious differences in the postcolonial plights of Africa and Latin America, and among Latin American countries. The situation of Nicaragua is very different from that of Chile, for example.

Fair trade in its most apolitical meaning is a way for consumers to know the origin of the products they consume. But if we look at it in a geohistorical sense, it can be nothing but political, and it is inseparable from processes of colonialism and postcolonialism. A question from the realm of critical realism is whether the development of fair trade is contingent on the existence of neoliberalism, itself a postcolonial tool of continuing colonial relations and perpetuating colonial

geographies. I think that it is fair to say that fair trade achieves some instrumental progress by placing more of the benefits of production in the hands of those that do most of the work, and by making consumers in places of consumption more aware of the inequities that exist in production/consumption, which itself can have positive impacts that cannot be directly measured. But we need to take a step back from there to identify some of the problems with the model of fair trade that are inherent in the very dichotomous geography of production/consumption, and thus necessarily in fair trade itself as a system which uses that split itself to reconcile its problems.

First, colonialism and postcolonial imperialism created a geography of trade that put production in one place and consumption in another. This division of labor was not only the result of natural differences, but as Smith states, “the concentration and centralization of capital in the built environment proceeds according to the social logic inherent in the process of capital accumulation” (1984, 104). Colonialism created a demand for the exotic, for products like coffee, bananas, indigo, and more that could not be produced in the North/West and were fetishized by consumers for this very reason. Nature might have played a role in the beginning in terms of determining what could be grown where, but the differentiation of colonized places from the places of the colonizers was definitely a result of the spatial division of labor and capital accumulation that was developed to funnel the benefits of development to one place and not the other. Reynolds highlights the element of “the responsibilities of Northern populations for conditions in Southern producer countries” (Reynolds 2002, 411).

This has material manifestations that persist to this day—for example, an entire trade infrastructure was created in Nicaragua beginning in the 1880s to support the export of green coffee, and green coffee does not have as much value-added as roasted coffee. To this day, there is no physical cost-effective way to export large amounts of roasted coffee from countries like Nicaragua—the entire infrastructure has been created to support and facilitate the export of green coffee, which necessitates the export of the value added (roasting) to the consuming countries, in effect (Mitchell 82). In other words, physical geographies were created to support the continuation of this split. Colonialism also created a standard of cheap labor which itself is self-perpetuating: cheap labor attracts foreign capitalists who pay cheap, pollute the environment, and carry all value-added from what they produce outside of the country. This inhibits anything which resembles development; labor costs stay low because people are dirt poor and places with higher labor costs cannot compete in the market, so they too must reduce their labor costs. Even today, this is evidenced by the existence of over twenty free trade areas in Nicaragua, most of them occupied by Korean, Chinese, and American (U.S.) manufacturing corporations who are attracted there by a minimum wage that is about two dollars per day.

There are, then, two problems that fair trade faces in its search to create progress in the world: the strong processes of imperialism that run parallel to its efforts to empower small-scale coffee farmer organizations as well as consumers, and the fact that fair trade itself uses those same perpetuated dichotomous postcolonial geographies of production/consumption to achieve that progress. In

many ways that will be discussed in the third chapter, fair trade even supports a continuation of a one-way exchange of material culture, in which cooperatives have foreign systems of governance, business relations, project management, and communication imposed on them as a type of condition for getting fair trade certification and the accompanying benefits. Fair trade does utilize the division of labor, and indeed fetishizes it, to create awareness about it and change it. The movement then faces a dilemma that characterizes it at this very moment: to grow the movement by continuing to fetishize the other and focus on using the market as the primary vehicle for justice, and risk reducing the progress it achieves to a higher price (instrumental progress), or focus on transforming those larger structures of imperialistic production/consumption and recognizing the complex agency of all participants in the movement (intrinsic progress) and risk rejection by consumers and becoming obsolete.

Many of the most powerful participants in fair trade, such as the certifiers and the licensors, choose the first option because “focusing on the market and active consumerism alone is probably not enough, but for a lot of people it is a start” (email from Dave Rochlin, COO of Transfair, USA. 1/27/2007), and because it gives the most the second option might just happen in spite of them. There have been historical power inequities in the fair trade network, with the Fairtrade Labeling Organization in Bonn, Germany and Transfair USA in Oakland, California making decisions based on what they thought producers wanted, namely market growth or a place to put their products. It has come out in the last two years, however, that

producers recognize this and have acted accordingly, forming regional organizations like the Latin American Coordinator of fair trade (CLAC), and then confronting FLO and TFUSA with proposals to increase producer representation in fair trade governing bodies, with the threat of leaving if representation is not increased (Interview with Merling Preza, then-president of the CLAC, March 2006, Chiapas). The African Fair Trade Network, although not formed expressly for this purpose, is also participating in these negotiations. Other examples of producers' agency is evident: two Mexican cooperatives have opened up chains of coffeehouses in the United States and in Great Britain, which puts the profits from those shops right back to the producer organization.

This type of action does not exactly fit in with how the fair trade standards themselves are set up—there are no guidelines set by the Fairtrade Labeling Organization (FLO) in Bonn, Germany that address producer-owned retailing of products. The language of the standards themselves assumes a producer in the South and a buyer in the North (www.flo.org). That producers are going outside these northern norms is a form of resistance against postcolonialism in which the spatial division of labor becomes blurred, but the point is that these producer organizations are now forces to be reckoned with in the global coffee industry, and other producer groups in the rubric of bananas and other products are following suit. They themselves are leading the charge to transform the global system of trade, with help from northern activists and NGOs.

How to reconcile the fact that fair trade marketing uses that very fetish of otherness to promote its cause with the fact that truly addressing injustices derived from colonialism requires us to open our minds to these others engaging in modernity as much and as well as we do? In many people's minds there is an unexamined view that, well, if "they" are not traditional farmers (e.g. poor), then why should we "save" them? "Us and them" is a colonial conceptualization of the problem in which the solutions must also be framed as us and them, just as fair trade currently is.

Only by reframing the issue in some other way can we work out solutions that might actually effect positive social change in more than a superficial way. A reframing of fair trade in the context of postcolonialism/transnationalism can widen our understanding of transnationalism by adding one more layer to the literature that places more emphasis on food and commodity cultures in the context of transnationalism (see Crang et al. 2003). Then we can stop seeing the actions of the producer organizations as resistance, as not in the norm, and see it instead as a logical progression of things if we are indeed trying to move beyond colonialism; it is what is supposed to happen. Additionally, by answering Cook et al.'s call for a more biographical and geographical understanding of foods (1998), we achieve the double goal of revealing the complexity of transnational movements like fair trade and reveal more of the relations between systems of places.

But to do this requires us to not treat producers as "other" (Cook and Crang 1996, 143), something which the dominant actors' market strategy strongly depends

on to sell fair trade products to consumers in the marketplace—consumers are told they are helping ‘them’. Cook and Crang (1996) argue that we should use those fetishes in our interventions rather than reveal them and try to dismantle them, but I argue that this contributes to the conservation of inequitable postcolonial geographies. In line with Jackson’s recommendation that we focus less on “authenticity” (1999)—a concept which ‘others’ producers and commodifies them by crystallizing their identities as ‘producers’ (when they—like us—are so much more than that), we must instead focus fair trade towards the revealing of our relationships as human beings (not only consumers) with other places. The catch with this is that awareness changes how we act; that is, the hope of a geographer who believes in hope is that we will go towards a system which produces intrinsic progress simply because we are more aware of the consequences of our actions and how we are related to other people through place (Sack 2001b).

2.8 Conclusion

Returning to the idea that social science can have an emancipatory potential, it is evident from some of the examples of different conceptualizations of progress in the fair trade movement, that emancipation can mean different things to different people. A realist perspective does not mean that we do not try to achieve the impossible; instead it means that we establish exactly what is necessary to achieve the impossible, by correctly placing the problems where they lay. This necessarily involves identifying those emergent structures that we act within, and trying to change them so that we can create more moral geographies. Postcolonialism, I

believe, is a lens through which to see the processes that create those structures that define right or wrong at different geohistorical moments, and effecting intrinsic progress calls for replacing those relic processes that are still in place from colonialism with other processes. Fair trade will only achieve intrinsic progress once it, too, addresses postcolonialism and how food and commodity culture is the result of and results in the perpetuation of those relationships.

Chapter 3 **Scholarly Discourse on Fair Trade**

3.1 Introduction

In this chapter I will cover the major debates and conclusions discussed in the large body of scholarly literature about fair trade, the social movement associated with it, its goals and problems. This literature includes analyses based on traditional political economy and conventions, alternative economics, certification, and development literatures. I organize the discussion into the major debates and themes present in the literature. These major debates are: whether fair trade should remain ‘alternative’ or should it go mainstream and, if it does grow into the mainstream, can it do so with dignity?; the intersection of whether to broaden and deepen participation in fair trade certification with problems in the certification system itself; and a final debate which seems to exist in academia alone but which is related to the first two debates, which is how we perceive the fair trade movement, as a network, a market, a commodity chain, or in some other way? This leads to the conclusion, in which I summarize the major questions left unanswered or not fully explored by the literature, before moving on in the next chapter to discuss fair trade discourse and meaning in the movement itself in the context of its own evolution. It is actually quite difficult sometimes to separate scholarly discourse from real-world discourse, since many academics are also activists in the world of fair trade, so some of what is discussed in this chapter will serve as an introduction to the discussion of the creation of meaning of fair trade in the next chapter.

3.2 Major Debates

Fair trade: mainstream or alternative?

How alternative is fair trade? Much of the contested meaning about Fair Trade centers on its actual goals. There is an ongoing debate within the movement about how to open the market for more small-scale producers to participate in Fair Trade certification without sacrificing the elements of social solidarity, meaning and mutuality of Fair Trade (Low and Davenport 2005, 151). This discussion is becoming increasingly intense especially in coffee among roasters, producers and their organizations, and Fair Trade certifying organizations who support different strategies to achieve these dual goals of going mainstream or of maintaining alternative values, which many believe precludes the participation of large transnational corporations. This debate mirrors that which focuses on critiques of neoliberalism, corporate power and uneven development, with Fair Trade representing an “alternative space” of trade (Hughes 2005).

Does ‘alterity’ necessitate alternative products? McCarthy points out that “many of the particular linkages between alternative economies and rural areas, including the fact that some efforts to construct alternative rural economies do not focus directly on the production of alternative commodities, have received relatively little attention” (2006 803). Fair trade products are for the most part conventional agricultural exports, with some new exceptions coming on line, such as cardamom, according to Kimberly Easson, Strategic Relations at Transfair USA. As Mutersbaugh 2005 points out, the fact that alternative economies like fair trade are

focused on traditional primary commodities creates unique challenges for those economies.

Taylor and others present the case that although fair trade was established in part to counter the domination of large corporations in the coffee industry, their entry into the fair trade market raises questions of their moral commitment and the possibility of reducing fair trade to a market with higher prices but without the moral base upon which it was founded (2005, 206 quoting Reynolds 2002a, 414; Aranda and Morales 2002, 20; Mutersbaugh et al 2005, 384). Many academics argue that moving Fair Trade into the mainstream is the only sensible option for it to achieve its goals, while acknowledging strategies that might promote social values. Low and Davenport argue that “isolation from the mainstream risks irrelevance, and will not deliver the extent of change that is necessary to meaningfully assist producers” (2005, 152).

Others suggest that there is a middle ground. Golding and Peattie (2005) talk about “the potential of social marketing to promote the principles of fair trade, in a way that complements the brand-building strategies for fair trade products”. This is in contrast to the dominant strategy of mainstream commercialization (154), but still reflects the idea of using the market as a tool, rather than providing an alternative to the market. They stress the dangers of mainstreaming which “may prove counterproductive by undermining their status as ‘different’ from the mainstream (2005, 159), meaning that the ethical starting point of the product is a selling point, and that making it a mere characteristic or “augmentation” of the product limits not

only its alterity but also its potential to create social change (Golding and Peattie 2005, 159 and Renard 2003). This could result in the development of a system which no longer serves the needs of producers but very effectively makes consumers and traders feel good about themselves, and it could water down the impact itself.

Renard frames this dilemma as an issue of power and states that fair trade can only preserve its integrity as a social movement if the social networks upon which it is based mobilize and impose their vision on the market, instead of allowing large corporations to do so, which could convert the idea of fair trade into a niche market with watered-down meaning. It is essentially a tension between the “militant” heritage of fair trade² and the danger of that same heritage alienating it from mainstream consumers and making it completely irrelevant (2003, 95).

The dilemma is if fair trade is indeed to remain alternative, then it risks remaining a market niche; if it goes mainstream, then it risks not creating the social change that it aims to have as a movement. Auroi argues that for fair trade to have more impact it must expand to the mass market through large corporations, since they dominate the market, but that this can only be done through international organization among actors and a shift to codes of conduct that will ensure sustainable chain management (2004, 33-34); the risk here, as pointed out by Hughes, is that promoting ‘ethical’ trade on such a mass, corporate level, will only result in “the commodification of ethical knowledge itself” (2006, 1018), making the ethical commodity chain unsustainable. Renard is more direct, arguing that the

² Fair trade coffee exports began as an act of solidarity between European activists and Sandinista revolutionaries in the 1980s.

normalization of certification and the centralization of fair trade regulation to FLO in Bonn, Germany, has actually been detrimental to farmers, to the end that the FLO Standards Committee (made up of stakeholders that do not include producers) voted against the first raise in the minimum price for fair trade coffee in February of 2007. The decision has since been passed to the FLO Board to be revisited in March of 2007, as a result of pressure from the CLAC and other fair trade participants (interview with Barbara Fioretti, FLO Board President, 17 February 2007). The issue of how to grow with integrity is one of governance and participation, a matter of who participates and what kind of power they have.

Governance and participation in fair trade certification

Governance is a big buzzword these days, and the growth of supranational certification schemes has raised questions about how different participants in the schemes participate in the creation and management, and how practices are determined by the contexts in which these participants interact, which are characterized by both cooperation and competition among participants and their aims, as seen from an internal standpoint; an external standpoint would see these schemes as influenced by participants not directly involved in the scheme itself, as summarized by Mutersbaugh et al in an editorial to a journal edition devoted to issues of certification (381). Mutersbaugh et al also lay out the dominant problems of governance and participation in agro-food certification schemes in general, and these also apply strongly to fair trade certification specifically : “the limited access of smallholders to certification benefits, a lack of clarity in the nature and quality of

consumer roles, the increased dominance by new and powerful private actors, ‘mainstreaming’ strategies that seek to increase quantity of certified products sold in conventional markets at the expense of democratic processes, and the effect of transnational regulation on network-based certification practices” (2005, 382).

A related debate within the theme of governance and participation is whether to allow plantations to enter fair trade coffee certification. The question is whether broadening participation to plantations is detrimental to small scale coffee cooperatives that are already in the system, and those that still are not, the issue being that there is still not enough demand for the supply that is available for currently certified cooperatives, let alone for cooperatives that are not yet certified, limited by this same lack of demand (Murray et al 2006 186). There has been a moratorium on the certification of large coffee plantations since November of 2003 (www.flo.org, Murray et al 2006 186), and as recently as 2006 in meetings in Chiapas, Mexico (March), and in the Dominican Republic (October) coffee producer organization representatives maintained their position firmly against large plantation certification (www.clac-pequenosproductores.org and interview with Merling Preza, then President of the CLAC, March 2006, Tuxtla Gutierrez, Chiapas). Other products do indeed have plantation certification, but even in those products it is not a cut and dry issue. In the banana industry, for instance, fair trade bananas that are exported from Ecuador, the Dominican Republic and Peru to the European fair trade market originate in both small-scale producer cooperatives and in large plantations, and are imported by such cooperatively-owned fair trade companies like AgroFair

(<http://www.fairtradefruit.com>). There is also participation in the European market by the infamous “Big Three”—Dole, Del Monte, and Chiquita, and the European market has not been too finicky about their participation, or the issue of certifying large plantations. To the North American fair trade activist and NGO community, however, this is a sticking point, given the Big Three’s history of oppression in Central and South America. In this sense the case of plantation bananas gives us insight not only into plantation certification but also into the previously discussed issue of the participation of transnationals in fair trade certification.

In 2006 there was a move on the part of Transfair USA to source fair trade bananas from Chiquita, and amidst tension between the banana cooperatives (Red de Bananos of the CLAC) and the unions of workers (represented by Colsiba, a Latin-, and a lack of trust on the part of the banana cooperatives for companies like Chiquita. Transfair USA decided to move ahead with the certification of a Chiquita banana plantation without the support of the cooperatives, which refused to work with the Big Three even as distributors due to their history of oppression. This effort failed in the end, when the plantation that Chiquita was having certified was destroyed by a hurricane, after which Chiquita promptly sold off the plantation and pulled out of the deal, demonstrating very clearly how dedicated it was to its workers, who were left without work after the hurricane (notes of Rory Philips (“Chiquita Summary”), USFT BANANAS Program Coordinator). It is a question of commitment, and thus of stability and vulnerability of workers; given, for example, that Chiquita has sold off most of its own plantations and now outsources its bananas

to outside suppliers, in effect it has reduced its own vulnerability, but increased the vulnerability of workers (meeting of Colsiba, Red de Bananos, Transfair USA, and United Students for Fair Trade in Boston, November 2006). The question of who participates and how is so obviously directly related to the question of what kinds of progress the fair trade movement aims for and how to create it; moral commitment is everything, it seems.

Fair trade certification and its seal is the primary mechanism through which consumers make their decision to purchase fair trade products or not, and through which producers and their organizations are able to participate or not in the fair trade movement. It cannot be separated from issues of governance of the fair trade system. Fair Trade is similar to other certification measures, such as organic or labor certification, but it is different in that Fair Trade initiatives do not focus solely on production conditions, but also on transforming the “multifaceted connections” between producers and consumers (Raynolds 2002, 404), that is, social relations. In this way, the way in which certification is governed and regulated determines practices and meanings associated with those practices, which are eventually communicated through marketing literature to consumers. Raynolds notes that

“Though interactions between Fair Trade labeling organizations and coffee producer groups involve mutually reinforcing civic and domestic ideas and practices, these interactions are simultaneously molded by industrial conventions embedded in FLO's [Fairtrade Labeling Organization] certification and monitoring of producer organizations. Destabilizing notions of 'trust' and 'partnership', FLO certification represents a form of control, linked to formal standards and inspections...Fair Trade certification reflects North / South power relations and industrial monitoring practices” (418).

In other words, fair trade certification itself can actually serve to contest the social transformation it was designed to effect: certification cements social relations in place, keeping the consumer and producer fixed in the roles that are designated to them by the certification standards. Essentially it is an issue of power—those that control the certification standards and how they are enforced and governed control “ideas and practices” and set the standard for what is acceptable or not. This can lead to a situation in which only the information deemed relevant or right is transferred through the formal networks (419), and in this way dependence on certification standards and seals can actually function to undermine the transference of information and meaning: producers’ needs and thoughts about the system they are participating in might not be heard, or even understood in the context of the certification.

Raynolds’ statement about fair trade certification reflecting North / South power relations is significant; especially seen through the critical realist lens: if fair trade is perpetuating colonial structures which in other social movements would be considered morally unacceptable, then of course fair trade needs some serious reflection and reorganization. This apprehension about the certification system lends importance to the study of how the system of Fair Trade coffee places actually functions, with a special focus on the social relations, because “these non-market relations are critical in developing producer trust in, and allegiance to, Fair Trade networks” (*see Renard 1999*), as well as the reasons already stated. This is especially pertinent in the present moment when we see producer organizations at

the regional level in dialogue with FLO on issues of representation in FLO decision-making about issues of price (www.clac-pequenosproductores.org; preconference workshop with Raúl del Aguila of the Red de Café, CLAC, February 15, 2007 at the USFT Convergence in Boston).

These tensions are being negotiated not only through formal networks, but also through informal social relations, which pose new challenges for the fair trade movement, according to Taylor et al, as social relations and political dynamics change (2005), and as fair trade becomes less ‘militant’ and more ‘corporate’. It is the significance and power of these social relations in terms of impacts not directly related to the direct benefits of the fair trade price that have not yet been fully explored. Raynolds et al have contributed by concluding that short-run benefits of fair trade for producers are financial, but long-term benefits lie in capacity-building through relationships in networks (Raynolds 2002, 404). More recent research has gone on to identify that social relations among actors is a stronger determining factor in the governance of the Fair Trade coffee commodity network than the formal organizational networks that supposedly govern the network (Taylor et al 2005).

More research needs to be done, however, on the exact roles that specific NGOs, activists, producer leaders, and other groups and individuals play as mediators of meaning (and access) between producers and consumers, as well as in dictating the local development agendas that fair trade promotes and supports

through the social premium³ through projects geared towards fair trade cooperatives (McCarthy 809). Bacon (2004) suggests that participation in fair trade networks may reduce farmers' vulnerability. But he is careful to emphasize how this is linked to other networks, like development NGOs and the specialty coffee market. The role of global (or globalized) social networks in the context of development is well-laid out by Bebbington (2003), but this type of analysis has not been applied to fair trade social networks. Development does not just happen at the local level through intervention by global organizations; instead, the places where interventions take place, what kinds of interventions, and when they happen are the result of decision making processes that involve highly personal relationships among and within places (300). What the literature on fair trade also misses are the social and material links created which span the South/South divide.

3.3 Questions yet to answer

Widening the scope of justice

The question I just laid out is actually part of a larger question of how we understand the nature of the progress that fair trade actually brings into being; there is a lack of discussion about this larger question. Mutersbaugh et al ask how producers' attitudes change as they have more interaction with certifying agencies, inspectors, and buyers (2005, 386), but I would modify that focus to also include consumers, development NGOs, and activists in that list of interactions, of people whose attitudes can be changed, and by places themselves that can be transformed by

³ In the case of fair trade coffee, this refers to the five cents added on top of the minimum price, or \$1.21 per pound plus \$.05 social premium

fair trade. Recognizing that fair trade involves much more than certification and the participants directly involved in fair trade certification itself, involves including them in the equation of impacts and in our analyses.

The literature does not frame fair trade as a moral issue, something that some participants in the movement do try to do, and I would say that here lies the basis of much of the tension among different participants in the movement. The literature is sometimes dispassionate, and describes global networks and relationships, but does not place these in the context of larger structures of politics and structures of morality that influence how the movement has evolved and is evolving.

South-south relations.

If we are dealing with global inequality and the most common way of looking at it is by dividing the world into developed and developing, or privileged and underprivileged, we then are in danger of ignoring very pertinent and important phenomena that do not fit into that framework. The literature consistently frames fair trade in the context of producer-consumer relations, but little attention is paid to producer-producer relations. Taylor et al. raise concerns about growing competition between older, stronger, second-level cooperatives in Mexico which may impede the entry of new cooperatives into the certification system, given the limited market capacity (2005, 205). They also highlight the achievements of these cooperatives in finding alternative domestic channels, such as their own brands and fair trade labels within Mexico. These kinds of efforts are being duplicated by other Latin American cooperatives, but other kinds of examples and even collaborations between highly

organized second-level cooperatives from different countries that influence the global governance of the fair trade system are not well-documented or analyzed. Understanding these interactions from the perspective of the producer organizations themselves will not only customarily held views of fair trade more complex, but will also force us to ask ourselves if we can continue to frame fair trade in the context of a north-south dichotomy.

Ontology or Conception of the Fair Trade Movement in Scholarly Literature

A final problem within the scholarly literature is how the fair trade movement itself is conceived. Different approaches, including those already sited in this chapter, conceptualize the movement under distinct frameworks that each have their advantages and weaknesses. The two most commonly used are commodity chain analysis and actor-network theory.

Commodity chain analyses reveal much about the material exchange involved in fair trade coffee for instance, but it is difficult to integrate other social actors (NGOs, religious congregations, etc.) that are not directly connected to that material exchange; it also allows little space to track the exchange of any information or ideas not directly connected with the material exchange. Actor-Network Theory addresses these concerns by allowing for a multi-noded network structure that leaves room for social actors. Its weaknesses in the context of the subject of fair trade, however, are two-fold: first, it is not spatial in the sense that there is no framework in the actor-network to look at relationships between places and, because of this, it is in danger of not acknowledging the politics between places that might determine how

actors interact within the network; the second concern is related to the first, in that by conceiving of fair trade as a *network*, it is leaving out the fact that it is indeed a social *movement*.

A social movement is distinct from a network because it is driven by meaning while a network is not necessarily so; it would not be accurate to state that a meat distribution network is driven by the meaning of the meat. It can, however, be said that meaning drives social movements like the peace movement or the Chicano movement in the U.S. If fair trade is also a social movement and thus driven by meaning, what meaning drives it? It is very difficult to reconcile the discourse laid out in the scholarly literature and the discourse in the movement itself; I believe that the fault lies in these traditional conceptualizations of the movement—they leave no room for analyzing the differences in meaning that actually do exist within the movement, since they are either overly material or falsely apolitical or overtly non-geographical. In the next chapter I explore the importance of meaning in the fair trade movement, establish the existence of divergence of meaning among participants in the movement, and then create an alternative ontology of the movement based on meaning. The importance and strong role of the politics that drive the movement becomes blatantly clear when even the alternative ontology proves ineffective due to rapidly changing movement politics.

Chapter 4

Negotiating the Meaning of Fair Trade

4.1 Introduction

Meaning is arguably what motivates people to act in certain ways; when people find different meanings in something like fair trade, they will of course act in different ways that are meaningful for them. Within the fair trade movement are many diverging visions of what is fair and how to go about making it a reality. In the last ten years the fair trade movement has evolved in the United States from one with relative consensus about what fair trade means to one that is in deep reflection about what it is trying to achieve, who should be participating, and how. This moment of reflection and negotiation of meaning will influence the direction of the movement in the years to come.

In this chapter, I will establish the significance of the divergence of perspectives among fair trade movement participants, since many of these participants also mediate meaning between the two bookends of the movement, through marketing and promotional material, project financing, educational events, and by having access to a part of the movement that a producer, for example, might not have access to; they, in effect, have a certain power in creating the meaning that is communicated to consumers. Using mental maps completed by participants in the fair trade network, I will describe the diverging perceptions about what fair trade means.

After establishing this divergence, I will take a look at the taxonomy of participants that is customarily used by researchers in fair trade, and establish its

relative ineffectiveness at revealing these differences of meaning or vision within the movement. I then present an alternative taxonomy of the fair trade network, which is based on a critical realist approach to the history of the movement in the context of the larger structures of politics that have influenced its evolution since World War II, and the known responses of individual participants or organizations that have also affected the directions the movement has gone. Finally I will address the weaknesses of both the traditional and the alternative taxonomies in explaining why there is such divergence of goals and meaning in fair trade, given the rapidly changing politics of the fair trade movement and the increasing complexity of the movement itself and the positions of the different participants, which is revealing divergence of positions and opinions even within participant groups seen as homogenous.

4.2 Perceptions, Meaning, and Positions

Fair Trade is an attempt at revealing reality: your cup of coffee is no longer anonymous, and you can at least know where it came from. You ostensibly know the social relations and environmental conditions under which the coffee was produced and sold, or you at least trust that the Fair Trade Labeling Organization in Bonn, Germany, knows, or it would not have certified the producer organization that cultivated the coffee. Reality then is made less obscure, and relationships are revealed.

The ostensible divergence of understanding of fair trade between the bookends of producers and consumers is accepted, but it is also present among

activists, NGO officials, retailers and other businesses, members and leaders of religious congregations, licensing organizations, and others in the movement, although this has received little attention. Many of these people and organizations actually inadvertently mediate meaning between producers and consumers in the process of promoting fair trade, so an understanding of their perceptions of the fair trade movement as a whole might key us in to why certain meanings are widely communicated and why others are not.

I asked nine student activists from seven different states, two officials of TransfairUSA, and one foods researcher from Kansas to draw a mental map of the fair trade movement. According to Wikipedia, “the concept of a mental map refers to a person's personal point-of-view perception of their own world. Although this kind of subject matter would seem most likely to be studied by fields in the social sciences, this particular subject is most often studied by modern day geographers in order to determine from the public such subjective qualities as personal preference and practical uses of geography...” (http://en.wikipedia.org/wiki/Mental_mapping). Each participant was asked in the same wording to draw a map of the fair trade movement, and they were each given fifteen minutes to complete their maps. The resulting mental maps reveal a large variety of perceptions of the scale of what fair trade is and who and what is involved, many different concerns about fair trade and, most impressive, an overall lack of a geographical perception of fair trade. My analysis of the mental maps is far from objective, as any analysis of art and its meaning is. I interpret the artists’

depictions, and I admit that another observer would probably have a differing interpretation than mine; however, the main point with this analysis is that the mental maps are pointedly distinct from each other.

The student activists in particular express their concerns about the fair trade movement and their role in it through their mental maps. I will highlight three student activist mental maps as examples that are representative of the general trends seen in all of the student activist mental maps. Student A (see Figure 1a) drew himself in the middle of his map, holding a piece of duct tape that reads “*some kind of solution...to reconcile this*”; on his left side is an arrow that points to “*helping those in other countries*” and on his right side an arrow that points to the text “*US Poor, continuously falling (my family)...Helping them make a decent living*”. The map is physically and intentionally torn down the middle. Student A is concerned with the question of who he should help: the poor in the United States (including his family in Texas) or the poor in other countries? This is a dilemma not expressed in the other mental maps, but it is representative of one of the larger debates in the fair trade movement (which will be touched upon at the end of this chapter). Student A tries to fix both problems with the ‘duct tape’ of fair trade, and questions the fairness of it as he tries to fix it. This mental map places the two geographies of domestic poor and international poor in juxtaposition to each other.

Student B (Figure 1b) depicts a complex map of interconnected relationships between government/policy makers, consumers, activists, producers, the third world, and “trade” oppression, and highlights the nature of those

connections as “*exchange*”, “*different reasons for involvement*”, and “*suction tube*”. He sees fair trade as an alternative to the ‘suction tube’ of ‘trade/oppression/domination/power’ and illustrates the relationship that policymakers have with activists, and activists with consumers and farmers. Fair trade, then, is a way to redress global power inequities. Student B also highlights in their drawing the exchange happening between farmers/producers and consumers, “*but they don’t know it*”, effectively highlighting the lack of flow of information between the two bookends of the movement.

Student C (Figure 1c) depicts the fair trade movement as a network with nodes of participants organized by function, which are connected by lines of different sizes to each other and to a large black box in the center called “the system”. The actors are situated in formless shapes labeled as “countries” while, interestingly enough, only consumers are situated outside of any “country”—they are in effect placeless. The placelessness of the consumers and the opaqueness of the “system” reveal a lack of knowledge about the mechanisms that make fair trade work.

The two mental maps completed by officials of TransfairUSA (see Figures 1d and 1e) are similar in this respect as well; both are entirely placeless, and one even places producers, consumers, the environment, advocates, and other participants on the same level, which undeniably is not the case in the real-world functioning of the movement in which there are great imbalances of power and access to resources, allies, and markets.

It is obvious that there are concerns about the functioning and effectiveness of the fair trade system and a lack of knowledge about the same functioning and effectiveness. There is also an absence of a spatial perception of what fair trade is and its geohistorical context, which effectively leads participants not to take into account the relationships among places and the politics that determine the mechanism of how fair trade works in reality, rather than how its functioning is represented in popular marketing materials. This reveals there is no consensus about what fair trade means, and it is necessary to examine the narratives that are customarily used within the movement to talk about itself, as well as among scholars to describe the movement from the outside. It is also important to note that most of the mental maps highlighted the relationships among groups of participants (i.e. “producers, “consumers”, etc.), without highlighting the geographies behind these relationships.

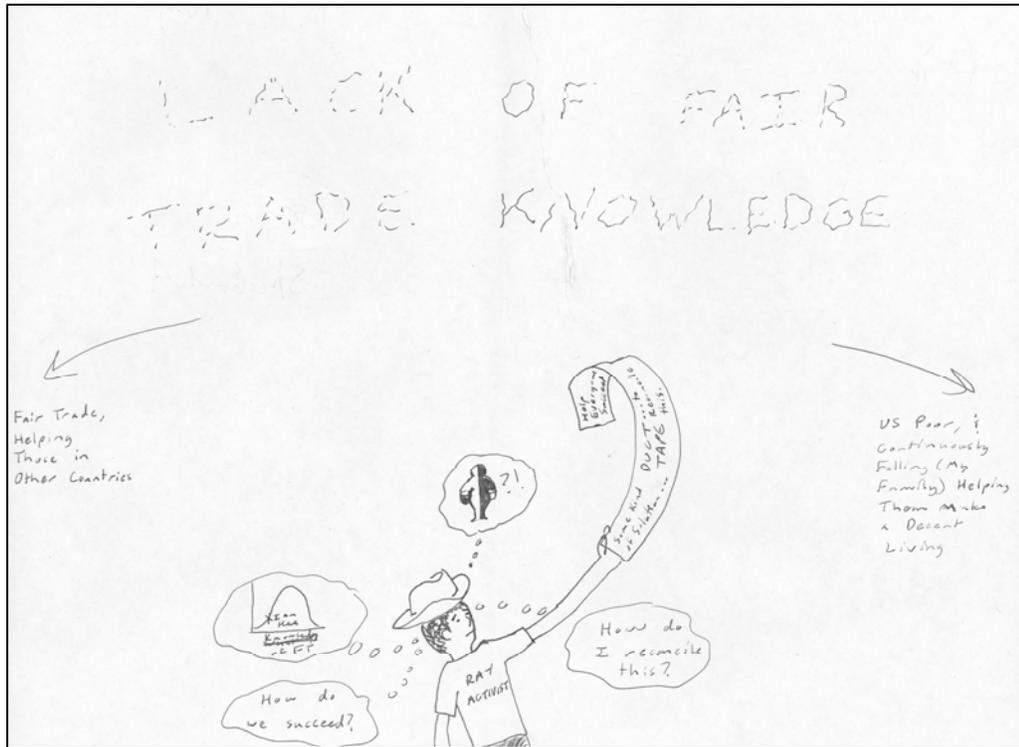


Figure 1a: Mental Map of Student A

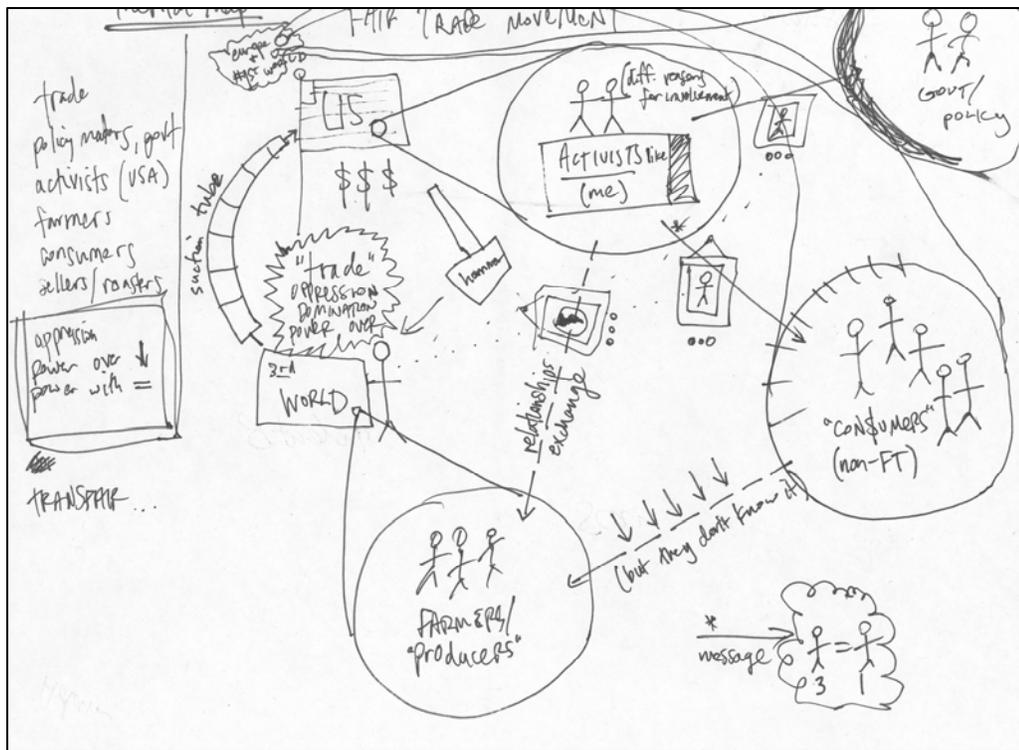


Figure 1b: Mental Map of Student B



Figure 1c: Mental Map of Student C

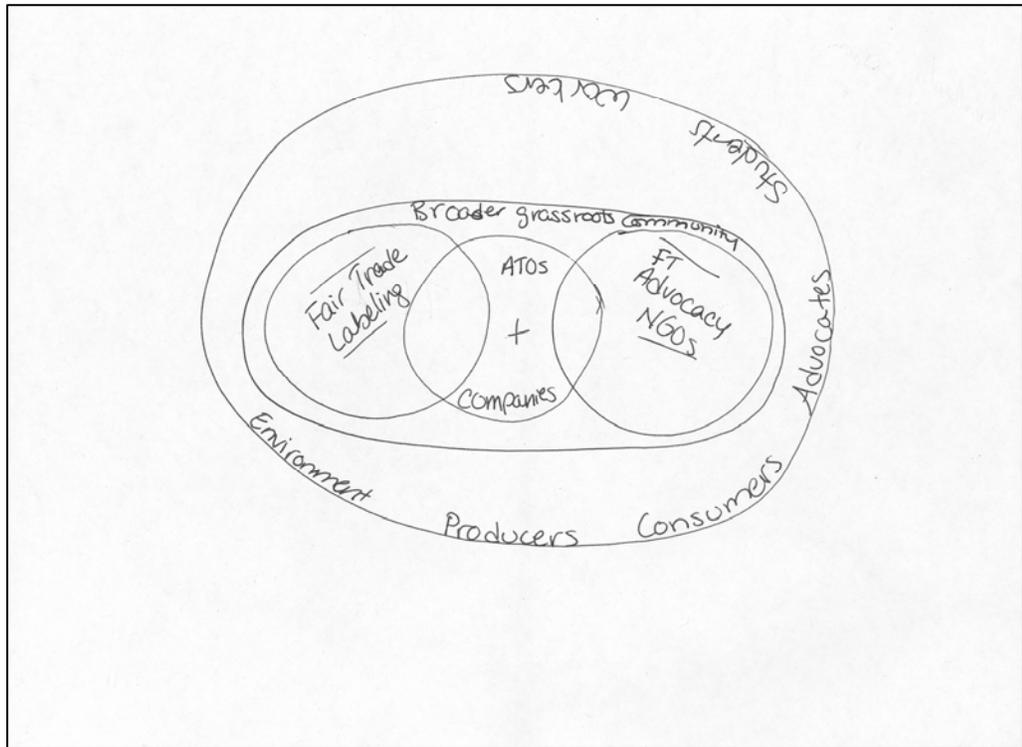


Figure 1d: Mental Map of Transfair, USA official A

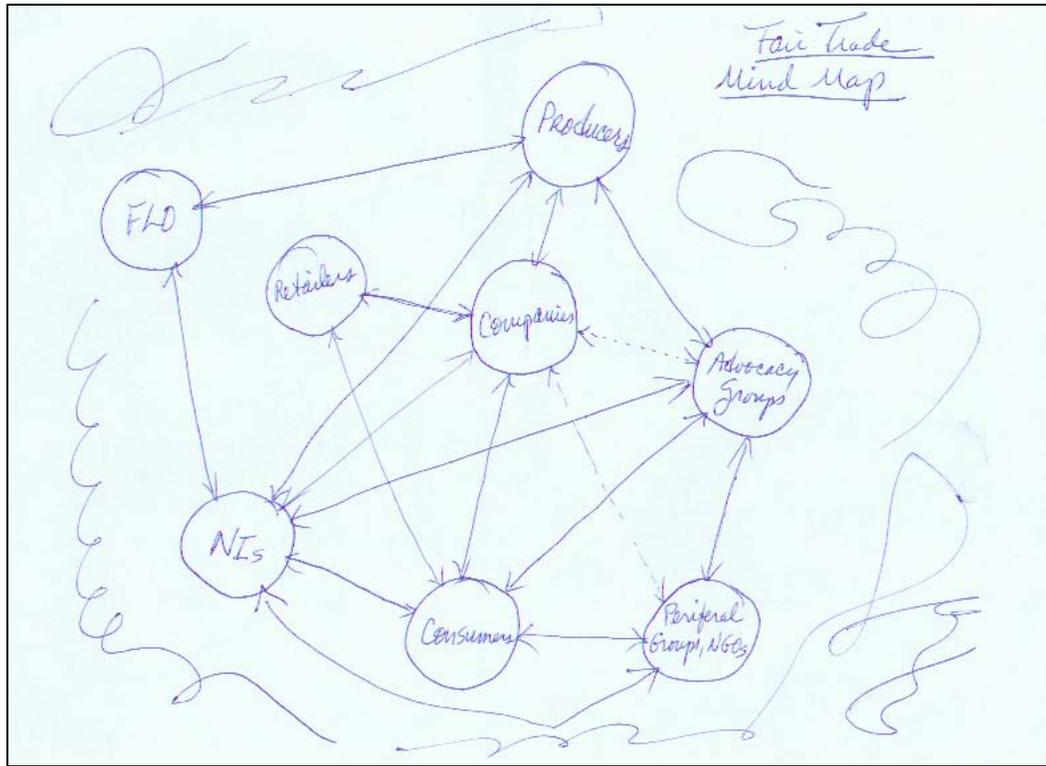


Figure 2 1e: Mental Map of Transfair, USA official B

4.3 An Alternative Taxonomy of Meaning in the Fair Trade Movement

Renard offers a very linear and fluid history of the meanings of fair trade in the social movements that promote it (2003). Her study, like others, misses other perspectives, like those of producers, and passes up further divisions or evolutions of meaning. Alternative Trade Organizations are presented as a uniform body with uniform goals and meaning, but in fact they are far from that. I argue that much of our knowledge about fair trade has been based in discussions in which ‘producers’ or ‘consumers’ are talked about in a single homogenous unit; again, this is true in both popular media, advertising and promotional literature, and in scholarly literature.

In the framework of critical realism, the way we organize our knowledge about fair trade must correspond to how the network itself is organized; in this sense, using the commodity chain as our unit of analysis will lead to the omission of important elements, since fair trade is not just a commodity chain, but a complex network of a variety of participants that are in no way homogenous, as we shall see below. Even within the fair trade movement, it is customary to group participants into their function groups, which is also rooted in the received narratives that are perpetuated and transferred from person to person within the movement and that include assumptions that are no longer valid. For example, student activists often enter as campus activists, seeing fair trade as a way for them to help the poor (this in itself is a gross overgeneralization, but serves as an illustrative example); they learn this from advertising and other promotional material. In fact, advertising is the major way that the received narratives about fair trade, the role of the activist, the role of the consumer, as well as the role of the farmer, are passed along.

COFFEE COMMODITY CHAIN

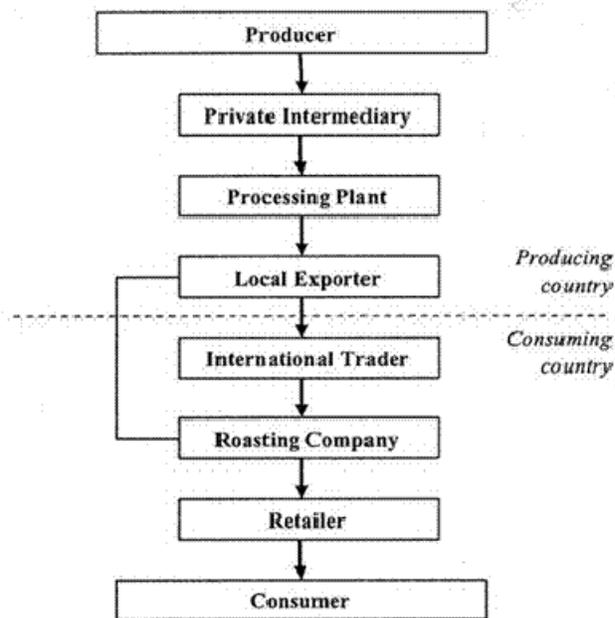


Figure 2: Coffee Commodity Chain (www.coopdevelopmentcener.coop)

To avoid grouping participants into generalized taxonomic groups that are popularly used in scholarly literature on fair trade as well as by movement participants themselves, such as ‘producers’, ‘roasters’, or ‘NGOs’ (see Figure 1), I have created an alternative taxonomy that instead groups actors according to a taxonomy of meaning, based on a modified narrative of the fair trade movement that utilizes many of the same elements of traditional narratives, but frames them in a geopolitical context. I created this modified narrative based on an analysis of a collection of quotes, advertisements, and websites of varying movement participants and organizations. Table 1 lays out the alternative taxonomy with an example quote of each category. The important thing to remember when reading the quotes in

Table 1 is that it is a taxonomy of meaning, not of position or role, and many different people from different backgrounds or with different functions in the movement can be placed in the same category.

Type of Meaning	Quote
Affirming Human Dignity: Doing the right thing	<i>“By supporting Fair Trade, we make choices in line with our religious beliefs and affirm human dignity”</i> --Lutheran World Relief (http://www.lwr.org/fairtrade/index.asp)
Trade Not Aid	<i>“Fair Trade is an innovative, market-based approach to sustainable development...It empowers farming families to take care of themselves - without developing dependency on foreign aid.”</i> --TransfairUSA (http://www.transfairusa.org/content/about/overview.php)
Anti-Capitalism	<i>I think the choice of “fair” [trade] was a deliberate decision to broaden a concept that was for us quite anti-capitalist...a parallel system to the market, a challenge to the capitalist system.</i> --Pauline Tiffin (Divine Chocolate Company)
Easy Activism	<i>“We’re not rallying against (Starbucks) — we’re not trying to stick it to the man or anything,” [says a student]... Students who support the fair-trade cause don’t have to take part in marches or sit-ins ... They can simply choose to buy coffee that bears the fair-trade certified label ... This is easy activism“...</i> -- Jake Batsell, Seattle Times, 2002
Empowerment and Redistribution of the means of production	<i>“So long as the coffee plantation workers do not have stability of their own place, of a home, no Fair Trade benefits will reach them through La Cumplida [a large plantation].”</i> -- Pedro Haslam, manager, CECOCAFEN, from <i>Starting at the Roots: USFT’s youth brigade harvests hope in Nicaragua’s Northern Mountains</i>
Anti-oppression	<i>“People that work in ... Fair Trade come with huge demands on the artisans and they want to find their own principles reflected in the cooperative, ...the words that they use reflect their own principles, and are not necessarily the words of the producers...it is necessary [for people] to first start to listen and understand the realities, the struggles, and the aspirations of the producer communities and their leaders.”</i> -- Jolom Mayaetik weaving cooperative, Chiapas, Mexico

Table 1: Taxonomy of Meaning in the Fair Trade Movement

Early implementations of Fair Trade in the post-World War II period involved production of a product or handicraft in a developing country and then its export to developed country markets. Although its roots predate neoliberalism, Fair Trade is also a response to neoliberal theories, policies, and practices. In the 1970s Fair Trade was presented as an ‘alternative’—the ‘fair’ rhetoric had not quite cemented yet as the chief meaning of Fair Trade (Low and Davenport 2005)—to the developing world’s dehumanizing dependence on anonymous markets, lack of control over the means of production even in third world places, capitalists’ exploitation of low labor costs in producing countries, failure to end the North-South division of labor (Peet 1999, 51), and more. Many activists in the 1970s promoted the idea of subverting these capitalist structures by ceasing to reproduce them, by relating with producers in third world places in a completely different way and consuming in a humane manner. Subverting capitalism could be done by putting the means of production into the hands of those disadvantaged by the system—workers and small-scale farmers, and empowering them to engage in commercialization themselves.

Perhaps in contrast to the category of activists that want to subvert the market, Fair Trade represents for some an action which is in line with their religious beliefs, an attitude that hearkens back to one of the root movements of Fair Trade among Mennonites and Quakers after World War II (www.ifat.org, SERRV International, Low and Davenport 2005, 145). In the second category, it is not about transforming the market, but about giving farmers a leg up in the market and

allowing them to sell their product. The market is still considered a tool for development. This category of meaning has its roots in the 1950s and 1960s, in the Trade not Aid movement headed by UNCTAD (Low and Davenport 2005, 145). This is in contrast to the third category, in which Fair Trade means creating an alternative system, a “parallel system to the market”, because the market is something to subvert, and is inherently bad. This meaning became de-emphasized in the early 1990s as discourse increasingly centered on 'fairness' rather than 'alternative', in effect downplaying the political situation that made an 'alternative' necessary in the first place, and instead focusing attention on the 'fair' price, which is a more acceptable idea to the majority of consumers, many of which do not want to be 'alternative' (Low and Davenport 2005, 147). The fourth category is one that is subject to much criticism among critics of Fair Trade. “Easy activism” means that fair trade is a way of being an activist and making change without doing anything. It is a feel-good strategy, way of continuing the dominant consumption-oriented lifestyle without examining anything too deeply.

For Pedro Haslam of the fifth quote in Table 1, Fair Trade is about empowerment by distributing land and putting the means of production in the hands of the workers. That is how more people can benefit from Fair Trade. This quote refers to one of the current central debates within the Fair Trade movement, the question of whether permitting the certification of large coffee plantations lies within the philosophical framework of Fair Trade, and whether it achieves the stated goals of Fair Trade. The argument is that a family with its own land has control over the

nature of its existence, whereas a landless worker has no control over his or her life. The key words here are empowerment and a shift of power. Here we get the sense that the meaning of Fair Trade in North America is created without much dialogue between consumers and activists in North America, and producers. This woman weaver in Chiapas communicates a pressing issue of Fair Trade, that of the inherent oppression existent in the idealism of the privileged in the North; in her view, fair trade does not address persistent colonial relationships that keep artisans in Chiapas and others in similar positions from engaging with Northerners with any real power. This taxonomy is a way for us to understand and typify the existent motivations that people have for participating in the fair trade movement and promoting the idea of fair trade in the world. It also gives us a tool for understanding why there might be divergence and even blatant conflict within the movement; some of these meanings are in obvious disagreement with others (the most obvious being the divergence between using the market as a tool or subverting it), because fair trade did not develop out of one radical tendency, but out of many, in quite a parallel fashion. This realization, in contrast to the received narrative of a linear history of fair trade, allows us to see the future of the movement of one that only comes out of involved negotiation among all of its many and varied participants.

However, it must also be acknowledged that none of these distinct meanings can justifiably be separated from any of the others in reality. Organizations like Catholic Relief Services use rhetoric and have goals that marry and intertwine these concepts; in the fair trade movement there are no clear lines.

Catholic Relief Services works overseas to provide assistance to struggling low-income coffee farmers. Here in the United States, CRS supports those farmers by promoting Fair Trade—an alternative system of international trade that is rooted in the principles of human dignity, economic justice and global solidarity. (www.crs.org)

Clearly, even a taxonomy based on a historical narrative of meaning is inadequate, for the simple reason that it is not so clear-cut; there cannot be just one single motivating factor driving the narrative of fair trade, and yet this is what we find in many of the popular websites promoting it. It is also inadequate because of the rapidly changing politics of the global fair trade movement (see Jaffee 2007), which has led to an environment of unpredictability and of the movement questioning itself, its goals, and its means of achieving them.

4.4 Changing Politics and Changing Meaning

There has always been debate in the fair trade movement about goals and strategies, but in recent years the debates have become more polarized. Around the beginning of the period of low coffee prices from 1999 until 2005 known as the coffee crisis, and as more farmers were seeking access to the fair trade market as world coffee prices sank, the first debate arose around whether to admit large plantations into fair trade certification under the Fairtrade Labeling Organization. Plantation certification would effectively allow large plantations to be certified fair trade once they had fulfilled standards that governed allowing freedom of association among their workers, minimum wage, labor conditions, and environmental conditions, among other areas. Although fair trade plantation certification exists in other products, such as bananas and tea, it had never existed in coffee.

During the 2004 Specialty Coffee Association of America (SCAA) Conference and Trade Show in Atlanta, Georgia, an impromptu meeting occurred, at which were present student activists from United Students for Fair Trade, representatives from TransfairUSA (the organization that issues licenses to companies in the U.S. to sell fair trade products), representatives from various coffee roasters and business organizations (including Cooperative Coffees, a national cooperative of small-scale coffee roasters), and representatives from small-scale coffee producer organizations from Nicaragua, Guatemala, and other Latin American countries. A discussion ensued in which TransfairUSA made clear its position on the integration of large plantations into fair trade certification, which was to pursue it, since it made sourcing fair trade coffee easier for large transnational corporations and thus also opened up the opportunity for workers and their unions to also benefit from fair trade, not just small-scale coffee producers. Producers, however, made their position clear as well: as long as there was not enough demand in the fair trade market for the certified coffee produced by small-scale producer organizations that were already in the fair trade registry, there should be no more discussion about integrating large plantations. Students and business owners (most of which were from smaller businesses) sided with producers in demanding that TransfairUSA desist from pursuing the issue of large plantation certification. TransfairUSA conceded and publicly stepped away from pursuing plantation certification at that meeting.

Since 2004, these debates have evolved from just centering on whether to integrate large plantations to include debates on whether the fair trade movement should engage with transnational corporations. Before fair trade as a label reached the point of being recognized by twenty percent of the population in 2006 (TransfairUSA: Fair Trade Leads Conversion among “Cause” Coffees, 2006), large transnationals like Proctor and Gamble did not pay attention to it, but once they saw the market potential it had, they wanted to get on board. In this sense, a great success in the fair trade movement in getting twenty percent of coffee consumers to recognize the fair trade label also created a conflict, a conflict which reveals the complexity of the movement and its intersections with broader issues of social justice.

After the meeting in Atlanta in 2004, it became increasingly clear what TransfairUSA’s position was on the issue of engagement with transnationals. With the goal of opening up as much market access as possible for producers, TransfairUSA began actively to court transnationals in the arenas of coffee and bananas. Around the same time as the successful launch of Nestlé’s Partner’s Blend in the United Kingdom in October of 2005, TransfairUSA licensed Proctor and Gamble’s to sell a fair trade roast of its Millstone brand, on the Millstone website. There was and continues to be much disagreement and even conflict in the rest of the movement in regards to this issue, especially as Fair Trade Labeling Organization (FLO) Board Chair Barbara Fiorito has expressed her desire for large transnationals to be licensed (interview with B. Fiorito, Feb. 17, 2007, Boston, MA), even as FLO

has had a moratorium on the issue of transnational licensing. Her position reflects that of many of other people working for certification and licensing agencies: if it helps farmers, then it must be pursued.

The recent polarization of the fair trade movement has crystallized the rhetoric of these debates into a larger debate with two clear-cut sides. One side promotes growing at all costs to open up as much market opportunity as possible for producers, and the other cautions against growing too fast, and proposes detailed reflection and debate among all movement participants before entering into working relationships with either plantations or large transnational corporations. The opposition to mainstreaming has advocates that include Cooperative Coffees, a national cooperative of small-scale, independent 100% fair trade coffee roasters. They refer to themselves as mission-based, as opposed to market-based. Their argument for opposing the rapid mainstreaming of fair trade coffee through the inclusion of large-volume-producing plantations and transnational corporations is that these participants lack the moral commitment or ‘mission’ to fair trade; in other words, to them, fair trade is simply another market niche, and if it turns out to not be profitable enough, the danger is that they could leave the fair trade system, which would leave the producers and others that depended on them in the dust and without a long term relationship with a committed buyer, which are the relationships that fair trade certification promotes to humanize the trade relationship.

These fears are not invented, but are in fact based on concrete experience with transnational corporations in other product realms in fair trade, bananas for

example. In the fall of 2005 Chiquita was negotiating with TransfairUSA to gain licensing to sell fair trade bananas in the United States. COLSIBA, the Latin American regional small-scale banana farmers' organization, was pressuring TransfairUSA to convince Chiquita to contract with banana cooperatives. TransfairUSA, in an effort to also support banana workers' unions on Chiquita plantations, instead ignored the cooperatives' lack of support for the deal, and convinced Chiquita to certify one of its own plantations in Ecuador. During the certification process a hurricane destroyed the plantation. Chiquita then responded by selling off the plantation and pulling out of the deal, effectively leaving the workers jobless (notes from Rory Philips ("Chiquita Summary"), Bananas Coordinator for USFT), as well as nullifying any debates that were happening among the unions, the cooperatives, TransfairUSA and the NGO leaders of the movement.

Producers themselves are some of the strongest opponents to the licensing of transnational corporations. What is commonly repeated by TransfairUSA officials who claim to be working in the name of producers, is that "producers...are more preoccupied with the struggle for survival and the possibility of increasing sales volumes" (Renard 2003, 92). This is true in many cases, but to accept it as a blanket statement would be a gross overgeneralization, just as it would be a gross overgeneralization to say that producers are only interested in the "purist positions"

of only working with Alternative Trade Organizations, instead of with transnationals⁴.

It would also be a gross overgeneralization to believe blindly what many purists assume, that producers are anti-capitalistic activists whose politics line up with activists' own. In both the issue of the certification of large corporations and that of engagement with transnationals, reality is not so clear as many 'purists' would have us believe. Producer organizations are both engaging with transnationals and protesting them; they are also protesting against the certification of large plantations, and at the same time supporting landless hacienda workers' movements in Nicaragua, for instance.⁵

These experiences with a transnational left many movement participants wary not only of the commitment of transnational corporations to fair trade principles, but also of TransfairUSA's apparent willingness to proceed without heeding its consultations with producer organizations or other movement participants. Other movement participants have responded in ways that reveal the complexity of their roles. Fair trade in the United States has historically been most promoted by a group of key NGOs and by student campus organizations, many of which are organized into the national student organization United Students for Fair Trade. The most

⁴ "Purists" refer to people who believe that any interaction or engagement with transnational corporations or capitalist latifundists is a sell-out or at least a step in the opposite direction of progress. They also often assume that cooperatives or farmers are anti-capitalist or anti-TNC and promote this vision of fair trade as the one that farmer cooperatives want to promote.

⁵ During three consecutive years of *plantones* of organized hacienda workers on the highways between the city of Matagalpa and the capital Managua (2002-2004), CECOCAFEN coffee cooperative (certified fair trade) regularly facilitated transport, food supplies, and other necessities to the workers to support their struggle. At the same time, CECOCAFEN cooperative sells its coffee to Starbucks corporation and other transnational corporations.

engaged NGOs include Catholic Relief Services, Lutheran World Relief, Fair Trade Resource Network, and CoopAmerica. They have responded in the last two years to TransfairUSA's flirtation with transnationals first by trying to negotiate, and then, after seeing that TransfairUSA would do as it pleased (as it did at first in the banana saga in 2005), by disengaging from the debates and only interacting with TransfairUSA on specific campaigns and activities.

Student activists that make up United Students for Fair Trade have participated in many of the negotiations with TransfairUSA that have involved bananas, and the integration of transnationals and plantations. Their position has been very consistent on the issue of plantation certification, and they generally take their cues from their producer allies on this issue. The basic argument against plantation certification is that it does not achieve one of the basic fair trade principles, which is empowerment of small farmers in producing countries; all it does is ensure the right to organize and some basic humane working conditions and minimum wages for workers. Workers do not have control over their own destiny as has been shown by the Chiquita plantation example, and if the owner wants to build a school, he can, but he can take it away equally. If he decides to stop being a farmer, the school does not stay with the workers, as it was never theirs to begin with. Small-scale farmer cooperatives, on the other hand, decide their own destiny, what they are going to invest their money in, and they have ownership over it (see Renard 2003 for a discussion of this issue of empowerment). This is where USFT

makes a clear departure from TransfairUSA; fair trade is something distinct for the students than a minimum price or market access.

In respect to the integration of transnational corporations, recent developments have actually served to broaden the discussion of what fair trade means, in the movement itself. The latest player to get into fair trade is Coca Cola, which is launching three fair trade coffee products this year (2007) under a subsidiary company called Premium Brands, in chain restaurants across the country. Coca Cola has been accused of “a gruesome cycle of murders, kidnappings and torture of union leaders and organizers involved in daily life-and-death struggles at Coca-Cola bottling plants in Colombia” as well as indiscriminate pollution of drinking water sources in India (see www.killercoke.org).

After its failure to garner support from USFT and the NGOs in the banana saga, TransfairUSA sought USFT’s involvement in the negotiations with Coca Cola and, according to Kimberly Easson, TransfairUSA Strategic Relations Director, Coca Cola wanted to engage USFT to see what its concerns were. The issue of licensing Coca Cola was and is a moral as well as a political issue for USFT. It is a moral issue because Coca Cola is a documented ‘bad actor’, and it would only be hypocritical for USFT to support its licensing and ignore what the corporation does outside the fair trade commodity chain (see Reynolds 1999, Renard 2003 for discussions on the relationship between fair trade and social justice). USFT also could not inadvertently undermine the campaigns of its allies (like Killercoke) against Coca Cola by congratulating it on its gesture. The Coca Cola episode created

an opportunity for intense reflection within the ranks of USFT, which resulted in the organization espousing a very firm and public understanding of fair trade as part of a wider social justice movement.

4.5 Conclusion

With such rapidly changing politics in the fair trade movement, it is no longer possible to assume that anyone's perspective on these vitally important issues is based on their physical position or function in the movement itself. That is, we cannot assume that producers feel one way and that NGOs feel another way. It is true that organizations like USFT and the other NGOs on the Northern end of the movement are reflecting about these changes internally and are responding with changes in their own practices. They are widening the scope of what fair trade means, by including concerns in their work that are not directly related to the fair trade market itself, but that embody the statement that fair trade is "not just a market but a movement" (Just Coffee, Madison, WI: www.justcoffee.net).

It is also clear that coffee producer organizations (unlike banana producer organizations) are choosing a middle ground between the purist moral positions of the radical anti-capitalist camp of the fair trade movement and the pro-market growth camp led by TransfairUSA. They are engaging with corporations like Starbucks as well as opposing the integration of large landholders who are often linked to these transnational corporations. This is true of producer organizations in both Latin America and in Africa (I do not have data for Asia).

What stands out is that students activists like those from USFT, and other activists, might be promoting a more radical vision of fair trade than their producer allies, the very people they are ‘helping’. What makes this probably even more likely is that the sources for this conclusion come largely from interviews with cooperative leaders, those who know the mechanisms that make fair trade work as well as the politics of those mechanisms, and who know how to balance a radical morality of alternative trade with a certain market savvy. But what of the perspectives of farmers who live in producing communities? It is established that there is a lack of information flow about fair trade between base producers and consumers, but how large is the gap in reality? We need to have more nuanced understandings of what fair trade means instead of assuming that everything is the same everywhere. There also needs to be some serious questioning of whether there is a different way of promoting fair trade to consumers that does not reduce it to a minimum price. Now that the divergence of perspective within the fair trade movement is established, in the next chapter we will see what happens when producers and consumers communicate directly.

Chapter 5

A Case Study of Direct Dialogue

5.1 Introduction

In a lecture I attended recently at the University of Kansas, Stephen Commins, a lecturer at UCLA, stated that “conflict among human beings is common, but what is necessary is negotiation to create progress” (March 8, 2007, Lawrence, KS). To negotiate, we need to recognize that there are multiple perspectives about an issue, but we also need to identify through negotiation what is good for everyone, and what qualifies as intrinsic progress, instead of only short-term instrumental progress. I have already detailed the complex debates in the fair trade movement, but the question remains: if we sit down and talk to each other, can we reach a point of common ground where we can agree on what intrinsic progress is? To make the question even more basic, if a producer and a consumer sit down together in the same house, can they agree on what fair trade is? Do they achieve converged meaning? Is there a way of achieving this?

To try to answer the question I used the community-based rural tourism project of CECOCAFEN as a sort of natural experiment. The project is indeed a situation where consumers from the North (who are also variably students, activists, tourists or backpackers, professionals, workers in NGOs, retail workers and countless other kinds of people) encounter not only the cooperative and its complex structure, but also the families themselves. They are able to interact in the context of the farming community and cooperative where they are housed in rural Matagalpa, without mediation from savvy cooperative leaders or fair traders

themselves. The goal of the project was never to create a situation where North Americans and Nicaraguans could achieve a shared understanding of the world. However, it is a context where we can document exactly what the interactions do cause in terms of shared perspectives and meanings.



Figure 3: Nicaragua (Source: Intur Nicaragua)

In this chapter I will detail the historical context of CECOCAFEN Cooperative and the origins of the community-based rural tourism project, before describing the project itself and what the context is of the interactions between visitors and cooperative member families that house them. I will then describe the methodology of data gathering, and then the results of the experiment.

5.2 History of CECOCAFEN: Revolution, Agrarian Reform, and Solidarity

Traditional agrarian structures in Northern Nicaragua and the roots of revolution

The historical context of CECOCAFEN cooperative is necessary to understanding that the community-based rural tourism project is a continuation of a long history of solidarity relationships between Nicaraguan coffee cooperatives and North American consumers and activists. If this history is not completely unique, it at least means that the results of this study might not apply so readily to other cooperatives in other places.

Coffee was first established in Central America by the Conservative regimes that were in power after independence, in the 1820s, but the Liberals that later came into power after 1850 expanded and amplified the incentive programs begun by the Conservatives before them, as well as improving transportation infrastructure necessary for export. Coffee's entry into Nicaragua reportedly took place in Jinotepe in the 1820s by Dr. Manual Martus, who brought it from Costa Rica where he had been studying medicine. Cultivation began intensively in the Sierras de Managua (see Figure 4) by 1849, spurred on by incentives mandated by national legislation, which granted large coffee plantation owners tax and military service exemptions, subsidies, low-cost inputs, and cash awards. A railroad installed in the region, as well as the Vanderbilt steamship line that crossed the Lago de Cocibolca, also helped the cause of getting product to market. All of this led to the beginning of a coffee-export economy by the mid-1960s (Revels 18-20).

The success of coffee cultivation in the southern uplands inspired the development of coffee production in the “undeveloped” mountains of the North-Central region. Production began in the highlands of Matagalpa, Jinotega, Esteli, and Nueva Segovia in the 1850s, although large-scale production was not in place until the 1870s (Revels 18-21). The first coffee plantings were introduced close to the towns of Matagalpa and Jinotega, in order to be close to transportation infrastructure, as roads suitable for horse or vehicle travel were not available even until the 1950s in remote areas (interview with Omar Chacon, UCA San Ramon, December 2004).

The Nicaraguan government began to focus on the development of the



Figure 4: Sierras de Managua (Southern Uplands)

Northern Highlands in the 1870s by promoting foreign immigration to the area, even allowing new landholders to retain their native citizenship. Foreigners were given 350 manzanas of land and offered coffee subsidies. Beginning in 1879, the government offered new planters 5 cents per

tree to any owner who could plant more than 5000 trees. In 1889 lot sizes were increased to 500 manzanas, if owners could commit to planting at least 25,000 trees. Most of those who benefited from these policies were Germans, English and North Americans, although native Nicaraguans also benefit and settle in the highlands (Revels 22).



Figure 5: The Department of Matagalpa (Source: Intur Nicaragua)

Before coffee arrived to the North Central Highlands, the region was populated by the Matagalpa indigenous group (see Figure 5 for a map of Matagalpa). They had a history of armed resistance against the Spanish and a natural geographic isolation from economic or population centers after independence. But there were only a few thousand of them. According to Revels, by the middle of the 19th century “low population density and an open frontier to the north and east combined to ensure that land was abundantly available in the Highlands to anyone willing to settle and claim it” (22). The indigenous had long occupied the best agricultural lands of the Highlands, but efforts by the government to appropriate the lands, combined with armed suppression of resistance, led many indigenous to seek other, more marginalized lands, or move to the agricultural frontier, opening up space for new investors and settlers. As a result, the land ownership regime changed from

communal indigenous ownership and vacant public lands to private ownership, as many as 24,000 manzanas in Matagalpa alone by 1891. By 1909 “coffee had become the dominant feature of agriculture in the highlands” and latifundia dominated more than half the total private agriculture lands in Matagalpa and Jinotega (Revels 21-23).

This tradition of large haciendas in the Northern Highlands and in most of Nicaragua carried forward into the era of the rule of the Somoza family, which lasted from the beginning of the twentieth century until its overthrow by the Sandinistas in 1979. The class structure of pre-revolutionary Nicaragua was a result of—and a necessary condition for—its capitalist agricultural development (Moburg 220). This is supported by Enriquez:

“The landowning class, which coalesced to promote the expansion of coffee production during the late nineteenth century, initiated the first stage of consolidation of the Nicaraguan state and began the intimate relationship between the state and agroexport production that still exists today. The state played a crucial role in the development of agroexport production and the marginalization of the peasantry. It provided infrastructural, financial, and technical assistance to this budding capitalist class and legitimated the concentration of land and labor essential for the expansion of export-crop production. The strength of the state grew as this sector developed” (1991:10).

Under the rule of the Somoza family, land had increasingly been concentrated into larger holdings and fewer hands with the argument that production required economies of scale: the belief was that productivity and efficiency were only possible with large-scale estates.

In 1950, according to Moburg, “minifundia and family farms of fewer than 35 hectares constituted 72 percent of all Nicaraguan farms and occupied 15.2 percent of the nation’s cultivated lands. By 1963 over 79% of the country’s farms were of this size, but the land area under their control had slipped to 13.7 percent of the total” (221). This growing marginalization of the peasant and agricultural proletariat sectors is reflected in the distribution of the means of production among the economically active population (see Table 2).

Class Sector	Grouping	Property size	Type of Production	Portion of EAP
Bourgeoisie	Large landowners	>500 Mz (350 Ha)	Specialized Export crops	0.5%
	Medium-size landowners	50-500 Mz (35-350 ha)	Export and domestic crops	4.5%
Peasant sector	Rich and middle peasantry	10-50 Mz (7-35 ha)	Domestic basic grains, some export production	21.6%
	Poor peasantry	<10 Mz (7 Ha)	Subsistence production and seasonal wage labor	36.4%
Agricultural Proletariat	Full time laborers	0	Year-round wage laborers	19.8%
	Part-time laborers	0	Seasonal wage laborers	17.3%

Table 2: Pre-1979 Rural Class Structure in Nicaragua (Enriquez 1991:5-6; Moburg 221)

The inherent economic and social inequality made obvious in Table 2 was exasperated by fluctuating market prices (see Table 3) which affected the largest and most vulnerable classes of peasants and agricultural proletariat. Somozista agrarian reform programs executed during the 1960s and 1970s were designed to mitigate these problems without affecting the existing social structure (Enriquez 1991:13).

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1975	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88
1976	80.14	80.14	80.14	99.79	99.79	99.79	131.51	131.51	131.51	142.17	142.17	142.17
1977	130.10	160.28	178.38	218.52	233.68	266.10	231.29	179.93	173.89	153.54	149.89	175.58
1978	200.14	177.54	175.58	152.84	141.05	146.94	127.30	88.84	119.58	108.49	106.52	102.59
1979	99.65	94.73	89.68	91.56	87.32	84.19	92.33	90.96	126.47	148.84	188.97	187.50
1980	162.58	121.96	130.50	129.22	133.93	129.81	116.86	98.12	98.12	98.12	98.12	98.1

Table 3: Fluctuating farmgate coffee prices in Nicaragua 1975-1980 (www.ico.org 2005)

But by the late 1970s, failed reforms and political repression had failed to appease the majority, and the capitalist bourgeoisie class had begun to distance itself from the state (13). This dissatisfaction led peasants and bourgeoisie alike to finally be more receptive to the political organizing of the Frente Sandinista de Liberación Nacional. FSLN workers' committees were working to organize peasants and rural proletarian opposition on the haciendas, taking advantage of the convergence of large numbers of workers during the harvests (Revels 222). Beginning in 1978, many were involved in occupying haciendas and beginning to organize agricultural collectives, known as *Comunas Agrícolas Sandinistas* (Sandinista Agricultural Communes) (Revels 222-223).

Agrarian reform and the birth of the cooperatives 1981-1986

Revolutionary governments are put into place not to implement reforms, but to create radical social change. Anastasio Somoza's regime was overthrown in 1979 by the Sandinista movement, and once the initial drama of the overthrow had subsided, the Sandinistas found themselves with the task of changing the nation's socioeconomic structure; they would do this by redistributing the means of production while trying to maintain levels of production to ensure foreign exchange

(Enriquez 1991:14-17). The social structures and created by the government and its relationship to the organizations created would affect how they would deal with adversity once politics shifted ten years later.

Immediately after the overthrow of Somoza and his cronies, the Sandinistas confiscated 800,000 hectares (23.2 percent of Nicaragua's cultivated land) of land through government decrees 3 and 38 (Moburg 223; Enriquez 1991:88). In all, over 980,000 hectares of land were expropriated from large holders between 1979 and 1989. This land formed what was known collectively as the Area Propiedad de Pueblo (Area of the People's Property) (AAP), and constituted about 20% of Nicaragua's agricultural land (cultivated and uncultivated) (Enriquez 1991:88). About 30% of the total confiscated land was redistributed to landless peasants. Initially after the confiscations of 1979-1980, the Sandinistas established agricultural communes on the intact farms to ensure continued efficient agricultural production. These formed the basis of the first form of agricultural cooperative in revolutionary Nicaragua, the Sandinista Agricultural Cooperatives (CAS), in which land was under collective legal title and worked collectively. Others were organized as individual farmers in cooperatives, known as Credit and Service Cooperatives (CCS), sharing services such as credit and technical assistance (Enriquez 1991:88; Moburg 223).⁶

⁶ Land was distributed under Edict No.782, The Agrarian Reform Law, and cooperatives were formed under and governed by Edict No.826, the Agricultural Cooperative Law (MIDINDRA 1982:29-48 and 55-70).

By 1982, it was reported by the Nicaraguan Ministry of Agricultural Development and Agrarian Reform (MIDINDRA 1982) that about 53% of Nicaraguan landed peasantry were members of agricultural cooperatives (MIDINDRA1982:35). As a result of the agrarian reform measures, the amount of farmland in the possession of major holders was reduced from 36% to 11%, while smallholders increased their holdings by 20%, ten times what they previously owned (Wearne 2000). In the case of both the CAS and the CCS, the relationship between the state and the cooperatives was an intimate one in which the cooperatives were dependent on the state for marketing, technical assistance, and agricultural credit, and in turn were obliged to participate in political workshops provided by the government (Moburg 223).

But the political reality of Nicaragua in the world upset the social progress. The United-States sponsored Contra War began shortly after the consolidation of the Sandinista state, and the guerrilla attacks as well as the embargo obstructed the state's ability to deliver basic services and fulfill basic functions for the Nicaraguan people, especially in the northern frontier regions. The cooperatives suffered as the violence of the Contra War escalated after 1981. The aggression "implied the loss of a third of the coffee and basic grains production in these zones, which are fundamentally produced by small farmers. This loss is not so much caused by military destruction but by the impossibility of planting or harvesting due to the risks to human life" (Spalding 205). The political consolidation of the cooperatives was also affected as people frequently had to flee from their farms, and the government

agents often could not get into affected zones to simply *buy* products from the cooperatives (Spalding 205). Morale went down and people stopped producing, exacerbating the tricky food-security situation that Nicaragua as a country already found itself in. As ten years of revolution ended in 1990, the 3,820 agricultural cooperatives (MIDINDRA 1982a:44) formed during the agrarian reform faced a new government, a new economic system, and new challenges.

Uncertainty and Opportunity: 1990-2005

The election of Violeta Barrios de Chamorro of the National Opposition Union (UNO) as President in 1990 meant the implementation of more liberal economic policies and some fundamental changes to the decade-long Sandinista agrarian reform measures. These included the repatriation of some lands confiscated by the Sandinistas to previous owners; the “provision of individual land titles to CAS cooperative members (in contrast to the collective title that they had previously held); legalizing the sale of land received through the agrarian reform; privatizing the properties held in the state farm sector (the APP)”, and redistributing these properties to the 25,000 to 60,000 peasant families that still needed land, including ex-combatants on the contra-side (UN Economic Survey 174-75, Amador et al 1991: 27-8). There were two main problems with this strategy: first, the total property of the AAP was not enough for all land-poor families; second, factions within the UNO disagreed about the extent to which the UNO would break with Sandinista reforms (Amador et al 9).

The result was a decade of uneven outcome: some cooperatives continued working collectively while securing their legal title to the land, while others took individual land titles (and the legal right to sell).⁷ The UNO government adopted a policy of focusing on the elimination of debt in the agricultural sector, rather than helping the means of production; the result was a great reduction in the availability of credit and technical assistance; similarly the government no longer offered guaranteed prices for commodities such as coffee (Amador et al 1991: 28).⁸ In his report on “Law, Institutions, Deeds and Realities of the New Government”, Freddy Amador writes of the abandonment of the agricultural sector by the new government:

“The liberalization of external commerce, even being a stimulus for agroexport production, can also have negative effects at the different levels of power and commercial experience, as much in the traditional sector as in the reformed sector. It remains to be seen to what point the intermediaries who operated before 1979 will return, and what consequences this will have for small and medium individual producers” (Amador 1991:29. My translation).

In respect to coffee, there was no longer an export policy or marketing board, and small and medium producers were left to the whims of whichever intermediaries reestablished business in Nicaragua to do the selling and exporting of the coffee harvest.

⁷ Competition for uncooperativized small-scale coffee producers is tough, however, and there are examples of base cooperatives that broke up in the early 1990s, that have recently reorganized themselves into new cooperatives and associated with larger cooperative export entities, like CECOCAFEN.

⁸ Although these services were still available through the National Union of Agriculturalists and Cattlemen (UNAG) and the Agrarian Reform Institute (INRA), now Sandinista organizations not associated with the state (Amador et al 1991: 29).

At the same time, Nicaraguans that had left the country in 1979 were returning, many of them claiming that their lands had been unjustly confiscated by the Sandinista regime. The Sandinistas had mandated that anyone associated with Somoza or the National Guard would legally have their lands confiscated. When Violeta Chamorro became president, a commission was created to handle claims of unjust confiscations. Lands that were still in the hands of the state were returned to previous owners, but lands already distributed to campesinos in cooperatives were left in the hands of the new owners, and state lands were given to the claimant instead under Edict 10-90 (P. de Groot and Plantinga 1990:6). The problem was that conflict still existed in many regions over government lands claimed by cooperatives or lands now owned by cooperatives

and claimed by previous owners (Amador 1991:20). In Matagalpa, members of cooperatives took to the highways to defend their lands and violence erupted between them and returnees from Miami (interview Eddy Tenorio, CECOCAFEN, 2004).

The collaboration between cooperatives in the organization of these protests and legal battles led to the forming of various Unions of Cooperatives in Matagalpa, with the help of the National Union



Figure 6: Cities of Matagalpa and San Ramon (Intur Nicaragua)

of Agriculturalists and Cattlemen (UNAG) and financing from international aid agencies such as Cooperación Danesa (Danish Cooperation).

Transition and Upward Organization: 1990-97

The Union of Cooperatives Augusto César Sandino (UCA San Ramón), located in the town of San Ramón near Matagalpa (see Figure 6), was formed in 1992 by leaders formerly employed by the Sandinista party, by the departmental Agrarian Reform offices, or by UNAG for the purpose of protecting land rights, but quickly started filling the gap left by the new government by offering technical assistance and access to credit to its members, who produced both coffee and basic grains (corn and beans).

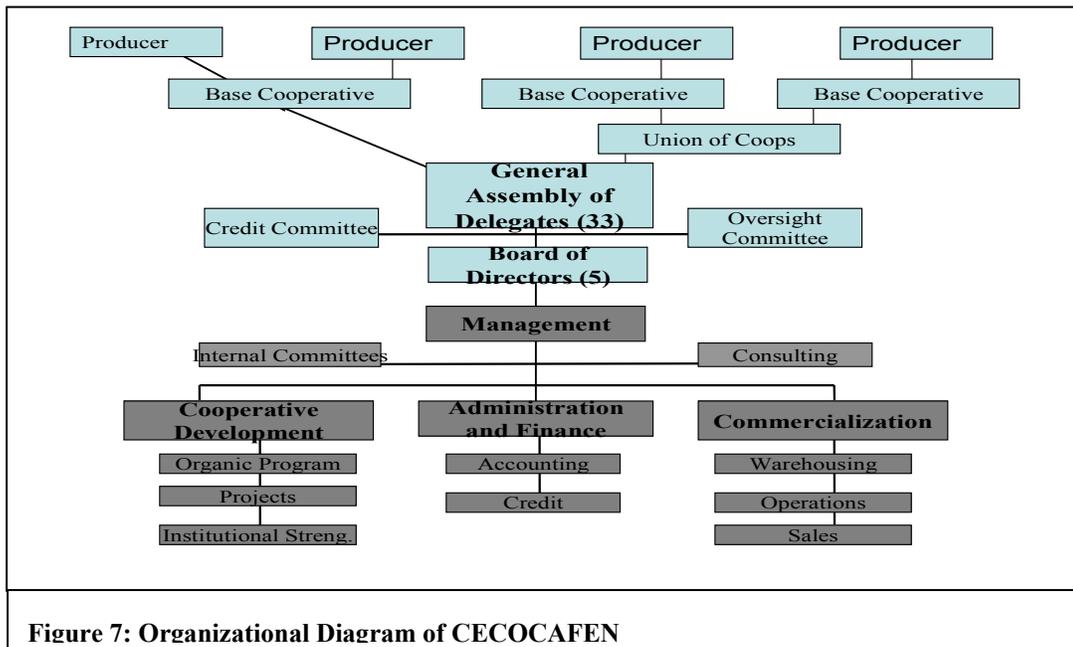


Figure 7: Organizational Diagram of CECOCAFEN

By 1994, the UCA San Ramon had expanded its membership and services to the point that it had difficulty managing its increasingly growing and diverse

functions. In the late 1980s and early 1990s, the Fair Trade coffee market had been established in the Netherlands (1988) and in the United Kingdom (1991) to help small farmers who were being affected by the fall of world coffee prices that resulted from the disbanding of the International Coffee Agreement (Low and Davenport 147), continuing the tradition of “solidarity buying” begun by Europeans in the 1980s to help revolutionary Nicaragua bypass the U.S. embargo and raise foreign exchange by providing a market for its coffee.

The UCA San Ramón exported its first container in 1995 and its management quickly realized that exporting was a very expensive and specialized function. Up until 1995 the cooperatives associated with the newly formed UCA San Ramón had sold their coffee crop to the larger agroexport companies that did indeed establish themselves in Nicaragua immediately after the end of the Revolution.⁹ The cooperatives paid for services such as processing and marketing, but at the same time had no control over quality control processes during the milling and packing of the coffee. The UCA San Ramón, UCA Carlos Fonseca Amador (UCA Matagalpa), and three other base cooperatives formed La Central de Cooperativas Cafetaleras del Norte (CECOCAFEN). The process involved many of the same leaders involved in

⁹ Some of these agroexport companies went on to form large conglomerates, such as AGESAMI, which owned much of the production infrastructure in Matagalpa, including 13 haciendas and 6 of the 40 dry mills in the department. AGRESAMI later went broke and disbanded during the economic crisis of 2002. The thirteen haciendas, which were repossessed by the Central Bank, are still in the process of being redistributed to their former workers, who are organizing into collectives under the Association of Agrarian Workers (ATC).

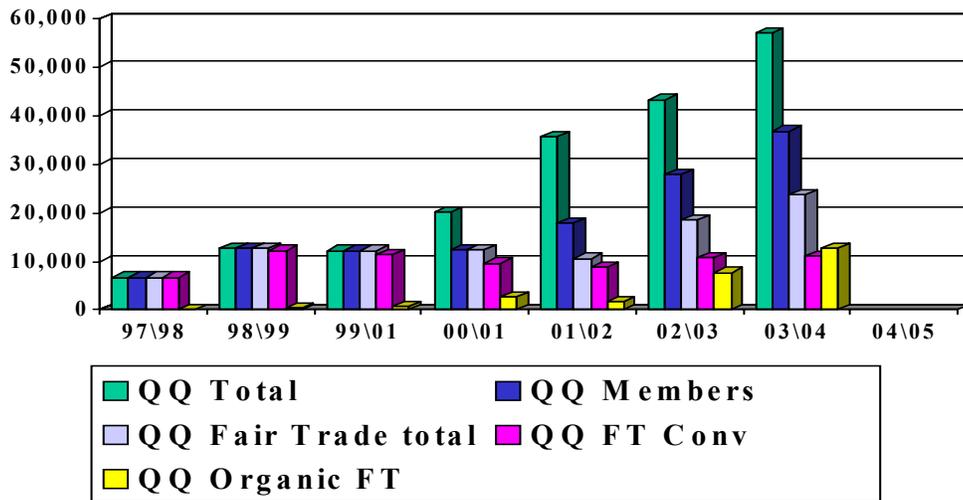


Figure 8: CECOCAFEN's Coffee Exports 1997-2004 (2004 Annual Report)

organizing the UCA San Ramón in 1992.¹⁰ CECOCAFEN formed with the explicit goal of marketing coffee to the Fair Trade market in Europe.

Using relationships and organization to find a place in the market: 1997-2001

CECOCAFEN formed with less than 700 members in 3 organizations, but by the year 2001 it had grown to include nine member cooperative organizations, a total of 1200 small producers (See Figure 7). CECOCAFEN exported its first containers to Europe in 1997. These first containers were 100 percent Fair Trade and this trend would continue for the next two harvests (see Figure 8). Things would begin to change in the 2000-2001 harvest cycle as a result of global as well as local changes.

First, CECOCAFEN was growing: finding markets with good prices was priority. In line with this was the old problem of control over the commodity

¹⁰ Pedro Haslam has been Manager of CECOCAFEN since its inception in 1997, and Blanca Rosa Molina, a soldier during the uprising, was head of gender education programs at the UCA San Ramón since 1997, President of CECOCAFEN since 2002, and recently took over the management of the UCA San Ramón.

chain and quality. In 1999, CECOCAFEN purchased its own dry mill with the profits from selling to the Fair Trade market as well as financing from an international aid organization (CECOCAFEN). This internalized costs and gave the organization the ability to deal with much higher volumes of coffee, as well as generate additional income by selling milling, storage and commercialization services to nonmembers.

Second, in the north, the presence of Fair Trade coffee was growing the U.S. market, and TransfairUSA, founded in 1999, was beginning to link producer organizations in the Global South to importers and roasters in the U.S. CECOCAFEN exported its first container to the U.S. in 2001 and, although it was not sold at official Fair Trade prices, it was a step towards securing a place in the North American specialty market. CECOCAFEN began sending representatives to the yearly trade shows put on by the Specialty Coffee Association of America (SCAA) with financing from TransfairUSA.

These first few years of experience exporting coffee revealed to the organization the quality demands of the North American specialty market, which had been developing during the 1990s. Buyers were demanding better quality¹¹ as a condition to continue buying the coffee. One Fair Trade roaster, Paul Katzeff of Thanksgiving Coffee Company in Fort Bragg, designed a quality improvement and

¹¹ The Fair Trade coffee market in the United States and Canada has historically been associated with the specialty coffee market: the two markets grew together, along with the organic coffee market in the 1990s, and continue to gain closer association for consumers. “Fair” here is equated with justice, as well as health, safety, environment and quality (Low and Davenport 2005). This is in slight contrast to the European Fair Trade coffee markets, where the alternative and specialty market segments are perceived as distinct from each other, although this is changing.

cupping laboratory project that was financed by USAID and executed by Thanksgiving Coffee and Christopher Bacon, a PhD student at the University of California, Santa Cruz. The results of the project were the installation of nine quality control cupping labs in CECOCAFEN and ten other first and second level coffee cooperative organizations in Northern Nicaragua, as well as the training of professional cuppers in the cooperatives (Katzeff 2002). The laboratories continued to be used to today to characterize and categorize coffees (making the marketing and selling process much more efficient) as well as the training of youth cuppers from the base cooperatives themselves.

A project to promote farm transition to organic production was begun in 2001 as well in response to three outside factors. First, the new buyers in the United States were demanding more organic certified coffee for an emerging niche market; second, since consumers in the U.S. equate social justice with environmental justice, more Fair Trade buyers also wanted their coffee to be certified organic; and third, the development agencies (such as USAID) that were beginning to take an interest in coffee cooperatives were promoting organic production. The result of the changes of 1997-2001 was a competitive position in the organic and specialty markets, and improved infrastructure and knowledge of product and market. This enabled CECOCAFEN to be able to sell its members' coffees at an overall better price¹², continue its normal operations of offering credit and technical assistance to its members, and execute projects. More importantly,

¹² Only 40% of CECOCAFEN's production is sold at Fair Trade or organic prices. The rest is sold at conventional market prices (Bacon 2005a:505).

CECOCAFEN now had the organizational structure and collective capital that would determine how they would deal with the emerging coffee crisis and subsequent changes in priority.

Crisis and Opportunity: 2001-2005

According to Bacon, “People’s vulnerability to the falling prices depends upon their location in the coffee commodity chain and their access to assets such as land, credit, employment, and social networks” (2005a:503). When coffee prices fell to an all-time low of \$0.40 per pound green during the 2001-2002 cycle (ICO 2005), coffee producers in Nicaragua felt the blow, which exasperated the situation left by four years of catastrophic natural disasters such as Hurricane Mitch in 1998 and the 1999-2001 drought in Northern Nicaragua (Bacon 2005a:502). At the national level, the crisis caused a 30 percent reduction of employment in the coffee sector, which annually employs 45,000 permanent jobs and 200,000 seasonal jobs, and the value of Nicaraguan coffee exports fell by \$60 million in 2001-2002, more than 55 percent from the previous cycle (Rivera Bolt 2002:5). Over one hundred and thirty two farms closed or went bankrupt in Matagalpa alone (CECOCAFEN 2003), leaving thousands of people out of work and many with nowhere to go (many permanent workers lived on the farms). Even small-scale farm owners were affected, as many supplement their farm incomes with part-time or seasonal work on local haciendas.

Since CECOCAFEN sells 60 percent of its production to the conventional market, its producers were affected by the low prices (which were about \$0.20 less

than the actual costs of production); but that 40 percent of production sold at Fair Trade prices was what kept CECOCAFEN's member farmers above water, although many farmers did stop investing in their farms (see Bacon 2005b).

But crisis creates opportunity. Recognizing that having access to markets and better prices means nothing if the overall social and productive vulnerability of farmers remains high, CECOCAFEN shifted strategies towards human and community development. Already having a staff of trained technicians and administrators, mobilizing the organizational infrastructure to take on new projects was not difficult.

At the same time, the so-called coffee crisis was perceived by NGOs as a development issue: Coffee Kids, a North American NGO financed largely by actors in the coffee industry, partnered with CECOCAFEN to implement social projects that would create women's solidarity savings and credit groups, as well as a scholarship program to help finance the education of the sons and daughters of cooperative members (see www.coffeekids.org; CECOCAFEN). Coffee Kids trained personnel at CECOCAFEN to manage these programs and offered seed money to get initiate them; today these projects are run by CECOCAFEN technicians and financed largely by CECOCAFEN itself (CECOCAFEN). CECOCAFEN administrators see these two projects as a way of creating stronger family economies, increasing women's participation in the cooperatives, and creating loyalty to the cooperative and expertise within its ranks.

In 2002, the international development arms of the Catholic and Lutheran churches engaged together in a large scale project called the Coffee Project. The project involved promoting Fair Trade coffee among their congregations (through the traditional “coffee hour” held after services). On the production end, Lutheran World Relief (LWR) and Catholic Relief Services (CRS) promoted agricultural diversification and organic transition projects in Central America and Peru and, in the case of CECOCAFEN, a community-based Fair Trade tourism project (www.lwr.org; CECOCAFEN). All of the Coffee Project development projects were funded by USAID, with the exception of the fair trade tourism project, which was funded directly through LWR. CECOCAFEN was able to take on the goal of developing communities through women’s organizations, scholarships, diversification and ecotourism because of its developed organizational infrastructure and knowledge.

CECOCAFEN did continue to develop its place in the market during this time in new and creative ways. With training provided by consultants from the British Fair Trade NGO Twin Trading (<http://www.twin.org.uk/>), CECOCAFEN built its capacity to engage in the market, learning about hedging and other methods used to decrease vulnerability during price fluctuations (CECOCAFEN, Area de Comercializacion). CECOCAFEN is also entering into a new relationship with one of its long-time clients, Equal Exchange, buying shares in the roaster cooperative itself. It has also formed an umbrella organization at the national level called CAFENICA, whose purpose is to do collective marketing as well as

political lobbying to get the government to make better policies for the small farmer sector. The organization is, effectively, becoming a participant in the market, rather than a victim of it.

The role of political solidarity with Nicaraguan cooperatives

Solidarity is about relationships: it must be recognized that in the case of some of the solidarity aid that the cooperatives would receive throughout their development, the basis of the relationships was founded during the revolution. This makes even more sense when we recognize that the current cooperative leaders in CECOCAFEN and its member organizations were soldiers during the overthrow, land reform administrators during the revolutionary years, and Sandinista party leaders throughout. They had ongoing working relationships with foreigners throughout the 1980s that continued and changed throughout the 1990s and into the present.

Nicaragua—and especially its agricultural cooperatives—has had a particular culture of international solidarity since 1979 and even before. *Internacionalistas* poured into Nicaragua from the first moment of the revolution, helping in the coffee harvest and literacy brigades, and especially with the rescue of the agricultural means of production and the development of the social organization—cooperatives—organized around the land reform. The Sandinistas' relationship with the country of Cuba goes back even further, to before the overthrow: the socialist island nation had served as a de facto political base for the exiled Sandinista leaders throughout the 1970s. The solidarity continued and

intensified the moment Somoza was overthrown: Cuba sent about 2,900 teachers to Nicaragua to work in the literacy brigades and some \$130 million worth of equipment, as well as over a thousand doctors and technicians in the early 1980s (Eckstein 1989:4-6). This legacy is important: even in 2004-05 the Cubans were working with CECOCAFEN in Matagalpa on a radio literacy program in rural areas, designing and implementing the program and training Nicaraguans to continue the work.

CECOCAFEN and its base cooperatives have had a long history of engaging directly with Northerners, but the community-based rural tourism project is the first situation where people from very different geographical contexts come together to learn specifically about fair trade and the relationships they have through it. What many critics or visitors to fair trade cooperatives comment on is the lack of knowledge of fair trade producers about the system they are engaging in (Murray et al 2005, 188). Admittedly, there is a high lack of knowledge of markets, certification procedures, and functioning of fair trade and exactly what makes their benefits possible, but many times it can be said that the observer is simply wrong saying that a producer or a cooperative manager is ignorant of these things; they often know, they just place less importance on it, or tend to talk about the issues and facts that are important to them.

5.3 The Community-based Rural Tourism Project: Continuing Solidarity

The aim of the community-based rural tourism project is to diversify income for farming families, focusing on women's participation in the family economy,

foster a culture of environmental conservation in the communities involved through environmental education, and promote Fair Trade coffee through direct contact with consumers. The idea to enter into tourism arose among CECOCAFEN cooperative leaders when coffee prices hit their all-time low in 2001-2002 (International Coffee Organization website, 2006). CECOCAFEN cooperatives sell on average forty percent of their harvest to the Fair Trade market, which means that sixty percent of the harvest is susceptible to market prices, creating vulnerability. Thus tourism was seen as a way of diversifying income, promoting Fair Trade in general, as well as creating direct relationships with consumers, which in the past had proven beneficial by fomenting small solidarity projects in partnership with visitors.

The four communities of the tourism project are base cooperatives affiliated with the UCA San Ramon, in the municipality of San Ramon, north of the city of Matagalpa (see Figure 5). In each of the four communities six to eleven families participate in the tourism project as *alojadores* or providers of housing, and two youth from each community participate as community guides. During the first two years of the project implementation training was focused on the women care providers and the two youth of each community. The women have received substantial training facilitated by the project coordinators and supplemented by trainers affiliated with the cooperatives, in the areas of hygiene, caring for tourists, food preparation with a focus on vegetarian food, gender training, and basic accounting. The youth guides have received training in guide methodology, biodiversity, ecology, and basic conservation techniques, and English. About half of

the thirty families in the project received credit for investment in infrastructure improvement that they pay back out of their tourism earnings, and all have received and organizational support in the form of meeting and workshop organization and tour coordination by the coordinator in the CECOCAFEN office.

Between the tourism project's inception in late 2002 and 2004, over 1,200 visitors visited the communities and that number doubled in the period of 2004-2006. Visitors live with families and participate in the work on the farm. They also visit various organizations to learn about the political economy of coffee in the region. They have two days on average of direct interaction with farmers and their families. Typical activities include working in the coffee plantations or in other parts of the farm during the off-season (February-November), hiking to natural and/or beautiful spots close by, learning about other projects that the families participate in (women's savings groups or women's natural medicine groups, for example), and visiting other community groups, such as communities of landless workers, in order to get an idea of the larger situation of the community in which the cooperative is situated.

5.4 Results of the Experiment in the Community-based Rural Tourism Project

Detailed Methods

The tourism project serves as a unique constructed space in which consumers and producers are able to interact without formal mediation, so it allows us to evaluate whether that one-on-one interaction creates changes in perceived meaning or even an agreed upon vision of fair trade. Much of my work there during 2002-2005 serves as participant observation, and I have already drawn heavily on notes

from meetings and experiences during that period. I am also basing my conclusions on paper evaluations filled out by each visitor to the project over a three year period (2002-2005), a baseline study done with the four base communities at the beginning of the project, an evaluation with a focus group from the four communities done about a year and a half after project initiation, and a survey done with a small sample of North American visitors to the project about a year after they returned home.

The study and evaluations done with the farmer members and their families focused on material changes to their lives as a result of their participation in the tourism project, but also had components describing changes to their perceptions, understanding, and culture as a result of their participation in, and about, Fair Trade and the tourism project. I have supplemented these sources with twenty-five interviews with community participants in the project (men, women, and youth) and three interviews with CECOCAFEN managers that did focus on changes in their perceptions of fair trade, the cooperative.

There are thirty-two families that actively participate in the Community-based Tourism project. I performed semi-structured interviews with twenty-four people in the communities; out of the twenty-four, six were men and members or sons of members of their local cooperative; eighteen were women, five of which were members of their local cooperative, and the remainder spouses or daughters of members of the local cooperative. It is important to mention that the five women who were in fact cooperative members are members of an all-women's cooperative in the community of El Roblar, whose husbands or partners (if they had one), are

members of a men's cooperative in the same community. Of the total twenty four men and women, six were youth guides and sons or daughters of cooperative members.

The focus on women in the community interviews was both intentional and unintentional. Since women are the major service providers in the tourism project and have the most contact on a daily basis with visitors, they would ostensibly be the most affected by interaction with foreigners, so my goal was to make at least half the interview subjects women participants; however, women also spend more time at home than men in rural Nicaragua, and they were the people I found available at home to interview when I arrived, while the men were gone to town or off on a neighbor's farm, and unavailable for interviewing.

Interviews with visitors were not feasible, and I instead relied on surveys and other paper evaluation tools. Post-visit surveys were sent to both individual visitors and to organizations that had organized groups that had visited the project. The target list was made up of all of the documented visits (groups or individuals) that had visited the project between March of 2004 and December 2005, a period of twenty-two months. These visits were made up of a total of 452 individuals; twenty of them actually returned surveys within two months of receiving them. The conclusions from the visitor surveys are indicative of perspectives and perceptions, but are not meant to be taken as conclusive, since such a small sample is prone to sampling error.

It is also important to mention that of the 452 visitors to the project in that period, ninety-eight percent came to the project with a group organized by an NGO or other organization. Of those organizations, six were classes or student groups from North American universities; three were activist organizations involved already in fair trade education; one was a sister city organization from the city of Leon; and two were fair trade coffee companies or roasting cooperatives. The majority of visitors came through university or student groups and the second highest-volume category is activist organizations, and the average age of those surveyed was 39.6 years old. Their occupations were across the board in terms of category, with no single occupation taking a majority.

Results of the Baseline Study executed in the four communities participating in the community-based rural tourism project

The baseline study was executed in 2003 one year after the inception of the community-based rural tourism project as part of the monitoring the project, by the project coordinators themselves (Heather Putnam and Pedro Antonio Haslam). It was done with no intention that it would eventually inform this study, and so not all the information and data resulting from the study has been applicable to this study. However, it does offer us interesting information in terms of the specific themes of women's self-perceptions and perceptions of their local environments.

The first theme of gender is significant: when eighteen of the thirty-two women participants in the four communities of the project were interviewed in 2003, they were asked whether they felt empowered personally and collectively. This

question was also asked in the women's focus groups that were done in each community. The results to that question are the following (My translation, from Results of the Baseline Study 2003):

- There were self-esteem problems among the women, but it had improved in the last three years.
- The gender trainings that the women had participated in through their membership in the cooperative solidarity savings and loans groups had increased their self-esteem.
- Some of the women still felt powerless and subject to the wills of their spouses and families, without personal aspirations, but with aspirations for their families.
- Some noted that they felt that they had the ability to make and control changes and others said they did not.

Similarly important are the commentaries on participants' perceptions of their environment when the project first started. In the interviews and focus groups, men and women noted that they "have to use the space to plant basic grains in order to eat, and cannot conserve trees" especially in smaller farms, and that deforestation is necessary for sustenance. They also noted, however, a "lack of environmental education and knowledge" and a long-term trend in the reduction of forests over the last twenty years (one farmer cited a 70% reduction, though this number is without verification).

Results of the interviews executed in 2006 in the four communities

The first set of questions centered on participants' perceptions of fair trade before and after their participation in the tourism project. When asked why they decided to participate in the tourism project, the two major responses were to have better relations or friendships with foreigners (over sixty percent) and to diversify income or have more income (forty percent). The third most common response was to receive training and improve practices in regards to the local environment (ten percent). Some people cited more than one reason. It is telling that cultural exchange was by far the major reason or, as one farmer put it, "we wanted to get to know the culture of other countries based on the experiences we have had with foreigners, and that they too should also learn from us".

As far as their perceptions of fair trade, there was a great variety of perceptions and some interesting changes of perception among participants from before the tourism project to the present. Over half of those interviewed reported having little to no knowledge about fair trade before they participated in the tourism project, and thirty percent described their understanding of it before participating as "offering a better price". When asked to define fair trade given their current understanding of it, most described fair trade as "a higher price for a clean, ecological, good quality coffee". When asked to elaborate on that by describing why they thought consumers buy fair trade coffee, over thirty percent mentioned quality as the defining factor for consumers, while another third very firmly centered consumers' motivations on ecological aspects or, "because it is shade-grown and

cultivated with a lot of specialization, without contaminating the environment”, as one woman phrased it.

The second set of questions focused on changes in perceptions about the environment, foreigners, and perceived benefits from participating in the project. Both men and women interviewed repeatedly cited a drastic change in their views on the environment and natural resources: almost all stated that before their participation in the project, they did not pay attention to how they treated natural resources like local rivers, and that they discarded trash in the street or in the rivers without thinking, but that now they act to conserve and take care of their local environment. Examples of actions include training schoolchildren at the local school about the importance of not killing birds and tree sloths for sport in the case of La Corona, and implementing community trash pick-up activities in the cases of El Roblar and La Corona.

When asked to state what activities changed their perspectives on the environment, many interviewees cited two activities as important: the environmental trainings that they received as part of the project, and conversations and interactions with visitors, who “always talk about how important the environment and organic production is to them”, according to one young man interviewed. In this case, producer families’ perspectives of how they should interact with the environment did change in relation to their testimonies in the 2003 interviews and focus groups, with some material positive changes in how they actually treat it. This is evidenced by the efforts of some families to start tree nurseries and reforest, according to the

comments made by two women and one man during the 2006 interviews. This is a shift from looking at themselves as simply coffee farmers observing the deterioration of their environment, to coffee producers who are stewards of their community's environment.

As far as participants' perceptions of and perspectives on foreign visitors, the majority of those interviewed expressed that they used to be shy around foreigners but that now they were very satisfied at having developed friendships with foreign visitors. Their dominant understanding of why tourists visit their farms is so that they can learn about coffee production and how Nicaraguan campesinos live, and related to this they also cited that people come to observe orchids, trees, and birds that live in the coffee plantations themselves. Some mentioned their frustration at not knowing how to use the internet to be able to send their new friends emails, but were gratified that they were at least able to receive photographs and letters from them through the CECOCAFEN mailing address. The majority identified the majority of visitors that had stayed in their homes as consumers, though two people specifically noted that they had had roasters visit them in their homes and that these roasters were return visitors.

When asked about the benefits their families receive from selling their coffee to the fair trade market, almost fifty percent of those interviewed mentioned something about being able to stay on their land during the coffee crisis, or not having to send their sons to Costa Rica or elsewhere to work seasonally. But most of the commentary centered on the friendships they have with foreigners, and the pride

they now have in sharing their farms with foreigners, whereas, as one man stated, “before we thought we had nothing, but now we know that all the trees, all the coffee plants, and everything is worth something...we have something to show them [the visitors]”. Changes in gender relations were mentioned during the 2006 interviews, but it was impossible to separate the causes of those changes; they could be the result of any number of the cooperatives’ gender programs, the tourism project’s focus on gender only one factor influencing those changes.

Cooperative managers, in contrast to the farmers themselves, have a much more nuanced and complex understanding of what fair trade is, since they handle relations with buyers and have more access to media as well (Murray et al 2005, 188); at least, they know how to handle the rhetoric and political relationships needed to navigate the fair trade movement. This breach of knowledge between the two levels is a well-documented phenomenon as cited by Murray: “cooperative management often fosters this lack of knowledge on the part of the producers through the pursuit of management efficiency, sometimes at the expense of democratic participation” (2005, 188). Efficiency is one explanation for why there is a lack of nuanced understanding of fair trade on the ground in producing countries; but it also has everything to do with the simple fact that farmers don’t often travel to trade shows or participate in contract negotiations with buyers. They also do not have to manage relations with multiple movement participants who are often in disagreement with each other, just to try to sell the cooperative’s harvest, while this is one of the major functions of cooperative managers at second-level exporting

cooperatives like CECOCAFEN, who often have to manage rhetoric (meaning) in order to get access to important sources of financing that are often contingent on certain conditions.

Changes of Perspectives among Visitors to the Project

Most of the visitors surveyed reported their consciousness of fair trade as ‘high’ before they visited the project; of the eight individuals who reported having average or low consciousness of fair trade before their visit, however, all reported having ‘high’ consciousness after their visit. The reported changes in consciousness are also reflected in respondents’ actions. All reported buying fair trade coffee before their visit, and about half reported promoting fair trade in their universities or congregations. Very few reported having worked with local retailers before their visit. Of the half that reported not promoting fair trade among their fellow students or congregation members, all reported doing this after their visit.

What exactly caused their change in consciousness? Sixty-four percent reported that the homestay in the community was the most impressive experience, and cited being able to talk with families and seeing all the work that went into the coffee production and processing as specific experiences. The runners-up in terms of impressive experiences that changed respondents’ ideas about fair trade were visiting Solcafé Dry Mill, talking with representatives from the Association of Rural Workers (ATC) and learning about their political work, and visiting CECOCAFEN’s office in Matagalpa.

But what kinds of changes in consciousness occurred? When asked how they would describe fair trade to a person on the street, the answers revealed that CECOCAFEN and its community-based rural tourism project were doing quite well promoting fair trade coffee, but that consumers were not leaving Matagalpa with a more nuanced understanding of the complexity of fair trade or of the nature of the role of CECOCAFAN and its member cooperatives in the global fair trade movement.

When asked how they would currently describe fair trade to a person on the street, the answers fell into two distinct ranges; one in which fair trade focused on living wage or minimum price, and one in which fair trade is placed into a larger context of social justice. The first is represented by the first three quotes, and the second is represented by the last two:

1. Fair trade is a system through which farmers obtain a fair price for their products, advance credit, and social programs to improve their communities.

2. Fair trade is a way of doing business that respects the producer and guarantees them a living wage while working to help them organize for the long term stability and betterment of their communities.

3. The short version? The fair trade movement in general ensures that the farming communities in the under-developed world receive a fair price for their produce.

4. It is important for people to use their power as consumers to make meaningful social change and that fair trade needs to be linked to our movements for peace, justice, equity, democracy and better quality of life at many levels.

5. Fair trade is about more than the price returned to the farmer. It's based in seeing and extending a relationship between producer and consumer. Also, a small way to work toward balancing the imbalance between South and North.

5.5 Conclusions

The success that the tourism project has had in creating shared meaning between farmers and other participants in the fair trade network is that farmers and their families no longer feel isolated; they now feel connected with others in the world, people who are helping them in their struggle to live in dignity by fulfilling basic needs. The most interesting impression that jumps out at the reader of these interviews and surveys is that the consumers surveyed had very similar perspectives on fair trade as the producer families interviewed after their involvement in the project, generally speaking. The majority of both described fair trade as a fair or minimum price.

Farmers interviewed in the study overwhelmingly associated fair trade with minimum pricing, coffee quality, and environmental quality, but also routinely cited it in relation to their relationships with foreigners on the other side of the commodity chain. Fair trade is not so easy to understand as organic farming, in which farmers' explanations of fair trade match the information one can find in the US market, because they have daily experience with it on their farms (Murray et al 188), but it seems that after interacting directly with consumers, their perceived meaning of what fair trade is directly matched that of consumers that had visited the project.

The documented benefits of fair trade to farmers and their families are in capacity building in addition to the floor price, according to Reynolds, et al. (2004). But farmers and their wives interviewed note that from their point of view, the minimum price is just enough to keep them on their land, but not enough to improve

their standard of living in a significant way, because production costs are high in Nicaragua or, as one woman put it, “the major benefit is stability”, a statement that complements studies done on the impacts and benefits of fair trade (Murray 2006, Reynolds 2004, Taylor 2005).

Chapter 6

Conclusion

Reality is obviously more complex than what a website or a coffee package tells us. The results of this study tell us that consumers and farmer cooperative members express a similar perception of what fair trade after spending time with each other in coffee-growing communities, and the people who effectively act as mediators of meaning between consumers and producers have very differing understandings of what fair trade mean which, when taken together make up the complex picture of what fair trade is. These variations are not random, nor were they inevitable, as the dominant narratives would have us believe; in the same way, the development of the fair trade movement was not random, but exists in the ways that it does because of very specific socio-political structures that exist(ed) at specific moments in time in specific places.

And what of progress? Following the critical realist approach and Robert Sack's definitions of progress, the question of what kinds of progress fair trade achieves can be revisited taking into account the results of this study. At first glance, it appears that the community-based tourism project simply functions to reproduce the dominant understanding (or structure) of fair trade: consumers are helping farmers and farmers are being helped to continue being happy farmers. This would be instrumental progress according to Sack's definition, since it achieves the short-term goal of keeping farmers on their land and giving consumers the opportunity to consume more ethically.

But the data from this study also suggests that intrinsic progress has also occurred. Both consumers and producers have changed views of themselves in relation to others, even if their understanding of fair trade is as simplistic as it is represented on packages. Some of the men, women, and youth interviewed expressed that “knowing that [they] are not alone in the struggle” (My translation) made them feel that their efforts were worth something. That itself is a kind of progress. Consumers expressed in the questionnaires that they thought about the people who produce the food and products they consumer; this is not a surprising result, but it is important—they see themselves concretely in relation to other places, whereas before it was an abstract idea that did not necessarily influence their buying decisions. It is hoped that this change in place-view will actually lead to a change in relationships between places.

This change in place relations would need to directly address the continuing postcolonial relationships that keep a greater intrinsic progress from occurring, and until those colonial legacies are transformed, then the fair trade movement will forever be frustrated by the limits to the progress that it can achieve. It might even become defunct and seen as tokenistic since it does not address those problems. The debates that are occurring within the movement among the participants that mediate meaning between consumers and producers (NGOs, student activists, companies) are a step in the right direction. They are asking the hard questions of themselves and their colleagues and are engaging producers in meetings and conversations to learn more about their experience of the movement. But consumers are kpt closely

protected from these debates; perhaps it is unconscious or perhaps it is based on the assumption that consumers will become confused and turn away from a “solution” that is not clear cut.

Does the solution lie in getting people together to talk and share their unique experiences? Only if they were able to agree that the “solution” needs to be large and address the global structures of inequality, deep-seated as they are. Consumer activism will not change anything, but people acting as people will.

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