

**The Socio-economic and Cultural Discrepancies
in the Production and Consumption of Coffee
between Guatemala and North America.**

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ABSTRACT

The Socio-Economic and Cultural Discrepancies in the Production and Consumption of Coffee between Guatemala and North America.

Karina Gonzalez Soto

There is a dearth of studies concerning the socio-economic and cultural significance of coffee. Focussing on the different historical and global aspects that affect the cultural meaning of coffee for producers and consumers within the international coffee market this study examines the different ways in which coffee producers in Guatemala and consumers in North America have come to experience coffee, as well as their respective function in such an intertwined market and culture. The cultural meaning of coffee is relative to the society in which it is found. In Guatemala, a coffee producing society, the meaning of coffee is associated with the realities of production, and not with any imagined world of consumption which may be produced through advertising, as is the case in the North American Western context. Additionally, this difference in the cultural meaning of coffee within producing and consuming societies creates a disconnection that seems ever more difficult to overcome, due to the uneven cultural flows that affect production and consumption under the auspices of globalization.

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INTRODUCTION

This study is concerned with the socio-economic and cultural discrepancies regarding the consumption and production of coffee between the North and South continents, more specifically: North America and Guatemala. Therefore, I will attempt to demonstrate the existing disparity in the cultural meaning of coffee in a producing and consuming society; the importance of closing this cultural gap; and the disconnection in the shift in meaning, between the societies involved, concerning the meaning of coffee. Pertinence of this topic lies in Western society's concern and demand for coffee as a commodity, and in the livelihood of those who produce it. Coffee is the second largest most valuable traded commodity in the world, after oil, hence providing for the livelihood of over twenty million people worldwide. Additionally, different international economic trades have had an impact on coffee producing countries, which are mainly third world countries; such as: Guatemala.

Guatemala is the world's fifth largest coffee producing country, and the third largest producer of Arabica coffee beans. For this reason, I travelled to Guatemala to speak to coffee producers, or "caficultores", to obtain their perspective concerning the impact coffee has in their lives as producers, and to evaluate their perception of far-away consumers, as well as to obtain some insight of their personal hopes and aspirations. My objective was to gather information concerning the cultural meaning of coffee for Guatemalan coffee producers, and to compare it with the cultural meaning Western consumers attach to coffee in their society. Thus, I also examine North American Western culture and its valued preference for coffee as a beverage, and attempt to demonstrate that the existing passion with coffee as a beverage, is partly due to the

promises of advertising, as well as what society interprets coffee to mean culturally, without being consciously aware of the costs and labour that are involved in producing this favourite beverage.

In the first chapter: "Tracing the Route of Coffee", I examine the early history of coffee and its early roots which were based on colonialism. It should be mentioned at this point, that through colonialism the word "Indian" was instituted to refer to the descendants of the Maya, who still continue to refer to themselves as such: "Indios."

I also examine globalization and its impact on third world countries, through the implementation of policies and projects of international trade, which take place with the help of agencies such as the World Bank and the International Monetary Fund, which ultimately affect the prices of commodities; such as coffee. This is due to the fact that many third world countries become engaged in international trades, which can create a dent in their economies, thereby obliging coffee producers, for example, to sell their product at very low prices. However, some international organizations have come together to help out the coffee industry worldwide; such as, Equiterre and Equal exchange, to name a few. Such organizations are referred to as fair-trade organizations which possess principles embedded in improving the overall livelihood of those they are involved with. I also introduce different strategies which several countries have developed in order to deal more advantageously with the effects of globalization, such as: MERCOSUR. These strategies are further developed in chapter two, in order to demonstrate how they have affected Guatemala's coffee industry.

In the second chapter: "The History of Coffee in Guatemala", I examine the political land policies and the different successions of government that have affected

the history of coffee in Guatemala, since its early introduction to that country.

In addition, I also study the Guatemalan coffee industry and examine its present and past productions and compare the figures with those of other producing countries in order to assess their position within the international coffee market. Furthermore, I describe how different strategies have evolved and affected Guatemala and its coffee production, such as MERCOSUR, through the economic opening the global market has brought about, through the materialising of what is referred to as the “New Regionalism”.

The New Regionalism, has allowed for direct economic activity between markets and countries with minimal government intervention, and has opened the doors for coffee producers to sell their product to countries, that otherwise seemed out of reach.

At the time I collected the figures for this chapter, Fall 2001, the worldwide production of coffee was being affected by Vietnam’s and Brazil’s over production of coffee, which I was also able to examine through the figures. As a result of this overproduction, the international coffee market was affected by a crisis, bringing the prices of coffee on the international market to an all time low. As a response to this crisis, Guatemalan coffee farmers have implemented, with the help of the Guatemalan National Coffee Association (ANACAFÉ), different elements that aim at improving their position in the international coffee market. I examine these different elements in more detail in chapter three.

In the third chapter: “Coffee Agriculture and Coffee Culture”, I discuss the findings of my study in Guatemala and examine the four elements ANACAFÉ has aimed at implementing in the production of coffee nationwide, to positively respond to the coffee crisis brought about by Vietnam and Brazil. In addition, I spoke to coffee producers and inquired about their coffee production, their personal insight on the

Guatemala coffee industry, as well as their working conditions and their ties to either fair-trade organizations and other collectives they have formed. I was also able to obtain coffee producers' perceptions of the socio-cultural and economic role coffee retains in their lives, as well as their perceptions of the role coffee holds in the lives of far-away consumers.

In chapter Four: "From Production to Consumption", I attempt to demonstrate the the cultural discrepancies regarding the cultural meaning of coffee between the production and consumption worlds. I also attempt to explain the key role advertising plays with respect to the mega-chain coffee shops which provide an imagined world for consumers in which they can identify with the deceptive world advertising has created, which further increases the disparity in meaning. In addition, I study the effect mega-chain coffee shops, such as Second Cup, have had on communities such as Montreal, and how they have affected the overall coffee culture, and the small coffee shops which have characterized Montreal's earlier coffee house scene. Additionally, through commodity fetishism, I attempt to show that the existing diversity in consumption is a reflection of consumers' awareness concerning advertising's intentions in obscuring the world of coffee production. And lastly, I attempt to show that the socio-economic and cultural meaning of coffee entails more than producing and consuming coffee as a commodity. It involves the disparity of the meaning of coffee for both producers and consumers, which is affected by globalization and the disparities which are contained in it.

TRACING THE ROUTE OF COFFEE: FROM COLONIALISM TO THE INTERNATIONAL GLOBALIZED MARKET

In this chapter, I will look at the early history of coffee from its roots of origin, to how it has been affected by the international market such as within multi-national trades and globalization, and how it is trying to cope with the constraints of such a global market.

1. The Origins of Coffee

The ancient land of Abyssinia, known as Ethiopia, is the original birthplace of coffee. Coffee first grew in the Ethiopian rainforest high on its mountainsides. It is likely that around the sixth century, the Ethiopians first chewed the leaves and the beans of the coffee plant, and later brewed the leaves and berries in boiling water, in order to obtain a kind of tea beverage. They also made wine from the fermented pulp, and a sweet beverage from the roasted husks of the coffee berry. This drink is now known as “kisher”.¹ However, it was finally around the sixth century that someone roasted the beans, ground them, and a variety of coffee came into being for the very first time², quickly spreading to other Arab countries. It is also very likely that when the Ethiopians invaded and ruled Yemen for fifty years, they purposely set up coffee plantations. The Arabs enjoyed the drink, and continued to grow it with irrigation ditches calling it “qahwa”, which is where the word “coffee” derives from.³

The Arab Sufi monks took the drink as a stimulant that would allow them to stay

¹ Mark Pendergrast, Uncommon Grounds : The History of Coffee and How It Transformed Our World (New York, 1999) , p. 3.

²Ibid. , p. 3, 5.

³ Ibid. , p. 6.

awake for midnight prayers more easily. Coffee was then quickly considered a religious aid, or medicine, and eventually became an everyday drink. In addition, wealthy people had coffee rooms in their houses, while those who could not afford them, would frequent public coffee houses which were becoming very popular.⁴

By the late sixteenth century Muslim pilgrims had spread the use of coffee throughout much of the Islamic world in Persia, Egypt, Turkey and North Africa; making coffee a lucrative item throughout these countries.

Coffee also gained reputation and popularity for being a “troublemaking” social drink and was later banned by the governor of Mecca, upon discovering verses regarding him had originated from some coffee houses. The ban however, lasted until the sultan of Cairo heard about it and reversed it, being a coffee drinker himself. Still, other Arab countries imposed a ban of their own on the beverage during the 1500’s and even then people continued to drink coffee in secret, risking persecution. Ultimately, all bans were withdrawn.⁵

It is believed that coffee drinking persisted in the face of persecution due to its addictive caffeine content. Yet it is also likely that as an intellectual stimulant, it provided a pleasant way to feel energetic without any unpleasant side effects. Coffee houses allowed people to get together for conversation, business and even entertainment. In Turkey, coffee became so important that the lack of it within a marriage, was considered sufficient grounds for divorce.⁶

After the Turkish occupation of Yemen in 1536, coffee became an important

⁴ Ibid. , p. 6.

⁵ Ibid.

⁶ Ibid.

export throughout the Turkish Empire. Coffee beans were exported from the port of Mocha in Yemen and so coffee from that region took the same name.

Turks were very strict about their coffee monopoly and no fertile coffee berries were allowed to leave the country, unless they had been brewed in boiling water or roasted in order to prevent germination abroad. But in the 1600's, a Muslim pilgrim was able to smuggle out seven seeds, cultivating them in India. Additionally, the Dutch, who dominated the shipping trade, transported a coffee tree to Holland from Aden in 1616.⁷ During the following years of the early 1600's, the production of the Dutch East Indies determined the price of coffee worldwide. Europeans at first did not know what to make of the new brew, but eventually became very passionate about coffee. In the first half of the seventeenth century coffee was still considered an exotic beverage, like substances such as sugar and cocoa.⁸ Amongst European countries, the French lagged behind the Italians and British in adopting the coffee house. But it was until 1689, in France, when an Italian immigrant opened a coffee house across a theatre where actors, musicians and the like, would meet and engage in conversation, that the French coffee house was born. It is said that coffee houses lessened the intake of alcohol, and provided space for intellectual thinking. They also allowed men and women to meet in a public place to talk without implicating any immoral impropriety.⁹

The history of coffee also expanded to the American continent not much after the introduction of the first French coffee house. The introduction of coffee to the Americas came with drama and dispute, when in 1714, the Dutch government gave a French officer a coffee plant as a gift he later transported to the French colony of Martinique, where

⁷ Ibid. , p. 7.

⁸ Ibid. , p. 8.

⁹ Ibid. , p. 9.

the first plants of American coffee originated from. Later, in 1727, while engaging in a long border dispute between French and Dutch Guyana, an appointed Portuguese Brazilian mediator obtained a compromised border solution while hoping to smuggle out coffee seeds. The mediator secretly courted the French governor's wife, and upon his departure the secret lover presented him with a bouquet of flowers containing hidden ripe coffee berries, he later planted in his home in Brazil. It is believed that from these ripe coffee berries, the spread of coffee in Latin America originated from.¹⁰ As a result, it seems that a series of personal anecdotes, stories and perhaps myths, constituted the bases of coffee agriculture in Latin America.

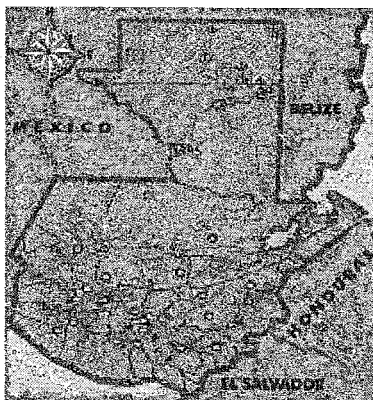


Figure 1. Map of Guatemala
In : Guatemalaweb.com

In the case of Guatemala, the first official record of coffee introduction to the country, states that coffee plants arrived in 1773, brought by Jesuits as part of a development project.¹¹ However, the Germans and the Dutch are also listed in other records as contributors to the introduction of coffee in Guatemala holding the largest plantations in the early 1800's, as well as making a lucrative business out of it.¹² Thus,

¹⁰ Ibid. , pp. 15, 16.

¹¹ ANACAFÉ , Hombres de Cafe, (Guatemala , 1995), p. 2.

the introduction of coffee within Guatemala was based on the same existing set up or premises of today, that is large coffee plantations (also known as fincas), cooperatives, or small-scale producers. Guatemalan records also show that in 1800 a man by the name of Juan Rubio became the first coffee producer in the Guatemalan region.¹³ Further, in 1888 according to Guatemala's National Coffee Association's records (ANACAFÉ), Guatemalan coffee obtained first prize in the World's Coffee Exhibition in Paris placing it ahead many countries that had had longer experience with growing coffee, although ANACAFÉ does not make reference to any of the other competitors that participated in the exhibition.¹⁴

While some Latin American countries, such as the West Indies and Martinique had a long history of growing coffee as a crop since the 1800's, others such as Colombia and Guatemala were just introducing it as a new one. Yet, regardless of the lengthy experience of growing coffee from one country to another, all countries rooted their coffee agriculture based on colonialism. The practices of colonialism include slavery, import of slaves, and poor labour practices as well.¹⁵ Aside from a few exceptions such as Jesuit projects, historian Armando Batra explained the situation in Mexico: "plantations functioned as economic enclaves, trying to present a modern image, but imposing slave-like conditions on workers". Workers were completely dependent on the landowner, barely receiving an income for their work and survival.¹⁶ In the 18th and 19th centuries, coffee became a very valuable commodity in Europe cultivated in many

¹² Pendergrast, History of Coffee, p. 38.

¹³ *Ibid.*, p. 3.

¹⁴ ANACAFÉ, El Cafetal.

¹⁵ Laure Waridel, Coffee With Pleasure : Just Java And World Trade, (Montreal, 2002), p. 33.

¹⁶ *Ibid.*

tropical areas. Many natives were enslaved in European colonies where coffee could be grown, and when there was a lack of workforce on the plantations slaves were brought from Africa as in the case of Brazil.¹⁷

In 1875 Edward Muybridge, a photographer, was able to document the transformation coffee had brought to the Guatemalan country. Coffee had brought a lot of enticement for change to the Central American region by encouraging land owners to grow coffee and to those who already grew it to increase their exports. For the first time coffee was an export in very high demand and linked Guatemala with international capitalism. Unfortunately, coffee also created dependency of coffee producers on the market, increased the impoverishment of the majority, while the wealth of the privileged few grew through the maintenance of slave-like conditions for the workers, which were rooted in colonialism.¹⁸

At the time, processing coffee required a significant amount of capital, especially if a processor adopted the newest technology required to meet export standards. This meant that most large plantations were owned by Europeans, and the labourers were of Mayan descent. Thus the progress that accompanied the economic transformation of Guatemala, weighed heavily on its Indian population¹⁹, and continuous to do so due to the systemic discrimination to which the Indian population has been subjected to, since early colonialism.

¹⁷ Ibid., p. 32.

¹⁸ E. Bradford Burns, Edward Muybridge in Guatemala, 1875: The Photographer as Social Recorder, (Berkeley, 1986), p. 96.

¹⁹ Ibid. pp. 96, 97.



Figure 2. Descendants of the Maya, commonly referred to as Indians, by the majority of the Guatemalan population, including themselves.

Collected by : Karina Gonzalez Soto.

Such practices of colonialism persisted for a long time in many different countries and some of its echoes are still felt today. Some coffee producing countries are still very dependant on the buying power of more industrialized ones, as in Guatemala, and maintain poor working conditions in coffee growing areas.²⁰

Information regarding the working and living conditions of coffee producers and labourers has not been easily available. It should be clarified at this point that large-scale coffee producers or small-scale coffee producers, regardless of their ties to any coffee association, are known as “caficultores”. In addition, caficultores or coffee producers are not the same as coffee pickers, who tend to be seasonal workers who pick coffee for coffee producers. Few studies, such as Rosberry et al; (1995), have addressed coffee production as well as experiencing coffee as a commodity, and its effect on the producing culture, the role coffee plays in the lives of producers economically and socially when consumed, and what role coffee plays in consuming societies, such as

²⁰ Ibid.

North America. The most easily available information regarding coffee does not address the cultural meaning of coffee, rather it targets commercialization and production, that is: how to make the perfect cup of coffee, quantitative information as in numbers of kilos being exported, percentages, its relative prices, and the reaction of open Latin American coffee markets to the world, which have been brought about by traits of globalization exemplified through international trades and the market. Within such trades we find various disparities concerning profits earned by small-scale coffee producers. In addition, information regarding different movements or organizations that seek to obtain a better price for such small-scale producers is widely available through organizations such as, Trans Fair, Equiterre, and Equal Exchange to name a few. Additionally, such movements have evolved, developed, and concerned themselves with the social and economic effects of coffee in the lives of producers, and have acted as a response to the demands the international market has placed on coffee producers world wide.

2. The World of Coffee

As mentioned before, coffee's roots are well embedded in colonialism where cheap labour force was used in order to meet the demands of production and buyers.²¹ In today's post-colonialist coffee industries, labour is affected by globalization which is characterized by a global context in which the world seems to appear as a singular place through a compression of time and space, with disjunctured processes and forms of integration, which operate in relative independence of conventionally designated societal and socio-cultural processes.²² Thus in a larger scale, colonialism can be considered the

²¹ Pendergrast , UncommonGrounds, (1999), p. XV.

ancestor of globalization at least in the coffee market where the same positions are still held.²³ In the case of Guatemala, where Indians were hired in colonial times and were stuck in poverty as coffee pickers, today many own small coffee crops and still do not earn a large enough profit to overcome their unrelenting historically inherited poverty.



Figure 3. Architectural structures of the past colonial period, remind Guatemalan citizens of the lingering influences of colonialism, which still remain today.
Collected by: Karina Gonzalez Soto.

Globalization has had a great impact on the coffee export industry. Within globalization the process of travelling commodities such as coffee, is referred to by Featherstone (1990) as part of a “global culture” where nothing is seemingly tied to any place or period, and things or commodities do not have a specific context; that is, their components are drawn from everywhere and nowhere with no reference of origin, hence globalization and its global culture are essentially memoryless.²⁴ Critics of globalization, such as U. Beck (2000), often point to its broad unspecific characteristics as a severe

²² Harvey David, “Flexible Accumulation through Urbanization: reflections on ‘Post-modernism’ in the American City.” *Antipode*. (1987) vol. 19, no. 3. pp. 364,365.

²³ Pendergrast, *Uncommon Grounds*, (199), p. XVI.

²⁴ Mike Featherstone, *Global Culture: Nationalism, Globalization and Modernity*, (London, 1990), pp. 177-179.

concern, while others such as Helleiner (1997), interpret this vagueness as an asset because it allows globalization to expose virtually anything ensuring its continued use and application.²⁵ This is illustrated by the fact that today's coffee is dominated by several multinational companies each making profits much larger than the gross domestic product (GDP) of many coffee producing countries, such as Philip Morris (General Foods International Coffees, Gevalia).²⁶ Globalization has also been defined as uneven disjunctured flows of technology and capital that ultimately affect people within the global culture.²⁷ Thus globalization is particularly linked to the existing workings of capital on a global scale, seemingly extending the inevitable traits of empire, trade and political rule of earlier times in civilization making them look as if they just happened through its most striking feature: global finance, which appears independent of national regulation, industrial productivity, or real wealth in any particular society.²⁸ In other words, international finance is the symbol of globalization. Globalization is also internationally mobile, respects no national boundaries, compresses time and space faster and with greater scope through computer dealings, communications and trade, and seeks out the highest rates of return.²⁹

Arjun Appadurai (1990), has explored the different disjunctures that affect globalization processes, and has identified five dimensions of global cultural flows within. These cultural flows are: ethnoscaples; mediascaples; technoscaples; finanscaples; and ideoscaples.³⁰ It is important to outline these different cultural flows, in order to

²⁵Ben Fine , The World Of Consumption, (London , 2002) p. 16.

²⁶Waridel , Coffee With Pleasure, p. 10.

²⁷ Featherstone , Global Culture, p. 179.

²⁸ Fine , The World, p.20.

²⁹Ibid , p. 21.

³⁰Featherstone , Global Culture, p. 296.

better understand the different aspects that affect the route of coffee from a producing society to a consuming one within the global cultural economy . Appadurai uses the suffix “scape” to indicate that these dimensions are not objectively given relations which look the same on every angle, but rather are affected by the different countries, communities and movements, who experience them and make sense of them, depending on what these scapes have to offer.³¹ These scapes act as building blocks of “imagined worlds”, which are multiple worlds constituted by the historically situated imaginations of persons and groups spread around the globe. In addition, these imagined worlds are produced by different scapes or cultural flows and are marked by unstable irregular shapes, which characterize international capital as deeply as they characterize international clothing styles.³²

Furthermore, globalization has not only affected trades or coffee industries, more importantly, it has affected governments and their policies which in turn have affected the livelihoods of many people. In addition, due to the demands of the international market and recent free-trade trade agreements, such as the North American Free-Trade Agreement, governments are subjected to the pressures of the International Monetary Fund (IMF) and World Bank (WB), ultimately affecting their policies and their respective industries. The IMF serves the function of looking over economic structural adjustment programs worldwide, while the WB is meant to fight against poverty as well as protecting the global environment (they are both financial institutions).³³ Through trades achieved within globalization, the WB has supported mega-energy projects, benefiting the economies of industrialized nations as well as agro-industrial projects

³¹ Ibid.

³² Ibid. , p. 297.

³³ Michel Chossudovsky, La Mondialisation de la Pauvrete. (Montreal , 1997) p. 28.

that have increased deforestation in non-industrialized countries, creating an unbalance in the eco-system, bringing forced migration and unemployment to many people³⁴ due to the termination of traditional jobs or left over barren lands. And so, the effects of the IMF and the WB's policies are inconsistent with their original design of implementing economic structural adjustment and fighting poverty as well as protecting the environment. This is illustrated by the fact that policies dictated by the IMF and the WB seem to further accentuate the social and economic disparities between nations and their people. This reality is hidden by statistics provided by the WB, which estimate that only 19% of the Latin American population lives in poverty. This information may cause confusion since a 1996 US census reported that although the average salary of an American lies at \$20,000 one out of six Americans is still considered to live under the poverty line.³⁵

Policies implemented by the IMF, in Peru in 1990, supported a plan whose aim was to restore "real prices". This meant that oil prices had to be multiplied by thirty, in order for the economy to make a real profit. All of this translated into a population no longer being able to boil water or cook³⁶ because they could not afford the cost of fuel. In addition, the food sector was also affected, because of the increase in the price of fuel, affecting the price of bread which had to be multiplied by twelve. All consumption articles had increased in price by 446%, while the inflation rate for that same year was of 2 172%.

This meant that the average salary of an agricultural worker was of about \$7.50 per

³⁴ Ibid. , p. 28.

³⁵ Also, in numerous third world countries, salaries within the modern industry have decreased up to 60% since the beginning of the 80's. In countries such as Nigeria monthly salaries vary from \$10 to \$20 dollars per month; and in Vietnam in 1992, monthly salaries hovered around less than \$10, while the price of rice had reached an ultimate high in the international market. Ibid. , pp. 29-30.

³⁶ Ibid. , p. 30.

month, the cost of living in Lima was greater than that of New York, and 83% of the population was undernourished.³⁷ These type of policies hold payment of external debts accumulated by third world countries as the ultimate goal, which in turn only allow a country to become even poorer with no economic power at all. To many countries the only solution has rested on allowing different markets to come to their homes and take advantage of their cheap labour force. This has meant an introduction of international government policies which have made this type of international trade easily available for many first-world countries. International trade is based on the premise of comparative advantage, in which countries use one another's skill or labour to the extent of benefiting themselves and each other.³⁸ An example of this perspective is given by David Ransom (2001) who explains that, in the early 19th century, when America had an abundance of agricultural land, the right climate for growing cotton and a lack of urban labourers, it resorted to exporting cotton to Britain who did not possess any of the mentioned qualities except for urban factory workers, due to the industrial revolution. In turn, Britain manufactured cotton into cloth, which was later bought by America as such. In this way, both countries benefited each from their own advantage, rather than opting to manufacture cotton cloth on their own.³⁹ This feature of comparative advantage is still found within coffee production where coffee is mostly grown in South American countries and is exported abroad in order to process it into a final product that is ready for consumption. It is important to note that, although international trade is marked by the notion of comparative advantage, it is also affected by the uneven principles of demand and supply between countries. International trade in the 21st century is very different

³⁷ Ibid. , pp. 170-171.

³⁸ David Ransom , The No-nonsense Guide to Fair Trade, (Oxford , 2001), p. 10.

³⁹ Ibid. , pp. 10,11.

than that of the early 19th century, as mentioned by Ransom, because the European empires of manufacture have almost disappeared.

Today we find corporate capital dominated mainly by the US, along with a tremendous transformation in which we find some of the world's manufacturing force relocated from the North to the cheap-labour South American countries. This is because one of the key elements of international trade is the terms on which it takes place. As foreign countries earn foreign currency from their exports, they must spend it on imports which can create a serious dent in the economies of third world countries.⁴⁰ One of the problems lies in that, a lot of commodities are produced in third world countries such as coffee, and over the years the world prices of such commodities have fallen relative to the prices of the manufacturing sector in those same countries as well. Also, as in the case of coffee, the added value of processing coffee is lost to the exporting country⁴¹, leading those countries to earn an even smaller profit. This is illustrated by the fact that in order to make coffee available to everyone prices must be kept low and so the biggest profit is made at the final point of sale: at the cup.

⁴⁰ Ibid. , pp. 17,18.

⁴¹ Ibid. , p. 18.



Figure 4. Guatemalan coffee being sold by small-scale producers, for export.

In : El Cafetal : La Revista del Caficultor. September, 2001.

Therefore, while competing with other international coffee productions, coffee producers must make the smallest profit in order to attract buyers, exporters and roasters.

The industrial relocation of the manufacturing sector and commodity producing markets in South America, within the context of globalization and free trade agreements, has created a vicious circle for third world countries , in which the consumption and demand of such products in the US and Europe is rapidly increasing along with their overall income which stands at 80% of the world's income.⁴²

Producers must produce cheap and sell cheap in order to be able to attract buyers, while competing with other third world nations for the same customers. This is the main source of foreign debt, low wages, exploitation and small profits for third world countries.

Some countries have opted to join in different trade agreements with powerful economic nations in order to safeguard their share of the market, as was the case for Mexico and the North American Free Trade Agreement (NAFTA).

⁴² Chossudovsky , La Mondialisation, p. 35.

Mexico is the only major coffee producer to engage in a major trade agreement, with the hopes of safeguarding many of its industries.⁴³ On January 1st 1994; Mexico, The United States, and Canada finally brought down the remainder barriers between them in trade and through NAFTA, with Mexico hoping to benefit its overall economy.⁴⁴ The NAFTA agreement stresses requirements that enhance trade liberalization and help resolve trade disputes. It covers six broad areas of trade for the three countries as outlined by David Ransom : 1) Market access: tariffs between Mexico, Canada and the US were already low, but high tariffs still remained against Mexican exports; 2) Trade rules: penalties and “anti-dumping” or selling below cost to off-load surpluses or put competitors out of business-duty laws were imposed; 3) Trade in services: deregulation of a broad range of commercial services, including finance and transport; 4) Foreign investment: NAFTA provides for national treatment for all foreign investors; 5) Intellectual property: primarily a means of ensuring that patents held by corporations in the US or Canada are enforced in Mexico; and 6) Dispute settlement: this area was the most contentious during the negotiations, since it openly challenged national sovereignty, especially for Mexico’s overall industry, including the use of sanctions and fines if any of these elements would be disregarded by any of the three members.⁴⁵ Mexico’s integration into NAFTA had many implications on those neighbouring countries which had historically engaged in trades with Mexico, such as Guatemala. It was now imperative for Mexico to engage in different trade agreements with the US and Canada, and to look to them for economic support instead of the neighbouring countries,

⁴³ The case of Mexico is used to illustrate the effect international trades have on coffee producing economies, which involve mostly third world countries.

⁴⁴ Ransom , The No-Nonsense Guide , p. 34.

⁴⁵ *Ibid.* , p. 34.

leaving those countries without the expected revenue generated from their long term neighbouring friendship, thus creating a dent in the neighbouring economies and feeling the effects of NAFTA within the Latin American region, including Guatemala.

It should be noted that, within NAFTA, nearly all important concessions based on investment, services and intellectual property were made by Mexico, a country still considered a third world nation⁴⁶, as the following examples will illustrate. A year after NAFTA had come into effect, Mexico was hit by a financial earthquake due to a severe program imposed by the government, whose aim was to rescue banks that had experienced ill-results from NAFTA agreements or investments. However, no such assistance was offered to the small farmers who had taken out loans to invest in their lands for agricultural production which was to be safeguarded within the context of production and comparative advantage with the US and Canada through NAFTA.⁴⁷ On September 1994, the same year in which NAFTA came into effect, Mexico could no longer feed itself. One of the business deals that took place under NAFTA, that intended to benefit Mexico's and the US's comparative advantage, required Mexico to sell tropical fruits to the North and to buy cheap North American maize in return. However, due to the lack of success of such trade between Mexico and the US, the eight million small farmers who made a living from growing maize could not afford to buy imported US maize, and would therefore have to abandon their land and move to the cities to try to survive, working most likely at a "maquila".⁴⁸ Maquiladoras or maquilas, are production plants, such as factories, easily introduced into Mexico through NAFTA in which crude assembly work is done, requiring the most simplest skills and

⁴⁶ *ibid.*

⁴⁷ *Ibid.* p.35.

⁴⁸ *Ibid.* , p. 31.

therefore the least amount of education.⁴⁹ The creation of maquilas was due to the convenience of the close border between the US and Mexico. It was also due to the belief that by having these type of working plants, many needed jobs would be created for the Mexican population, thus discouraging the common illegal immigration of Mexicans into the US. However, with the arrival of NAFTA many of its new trade agreements closed the doors on the livelihoods of many Mexicans, as well as those of neighbouring countries, such as Guatemala, who felt the effects of NAFTA in the region through failed ventures, crops and lack of sufficient income, leaving them no choice but to continue to immigrate illegally into the US.⁵⁰

The feeling of becoming exploited, subjugated or even homogenized, as felt through the effects of NAFTA by the Mexican population and by other nation states based on their capital or technological advances and potential, which they may use for their advantage is a distinct characteristic of globalization also know as global cultural economy.⁵¹ This global cultural economy should be understood as a complex, overlapping, disjunctive order, in which the conventional theories of economy only provide inadequate understanding. Global cultural economy therefore, is best described as disorganized or uneven capitalism⁵², depicting the different processes to which coffee as a commodity is subjected to all the way from tree to cup within the context of globalization and production. As mentioned earlier, Arjun Appadurai's flows which affect the globalization process refer to ethnoscaapes: a landscape of people who

⁴⁹ In Mexico, women are considered particularly well suited for these types of jobs, provided they do not become pregnant. *Ibid.* , p. 32.

⁵⁰ *Ibid.* , pp. 29-32.

⁵¹ Featherstone , Global Culture, p. 296.

⁵² *Ibid.*

constitute the moving world we live in; such as tourists, immigrants, guest workers, illegal and seasonal workers as illustrated earlier by NAFTA, and any other moving group of people who may appear to affect the politics of and between nation-states. The distortion amongst these moving groups lies in that people deal with the realities of having to move due to economic reasons for example, or with the fantasies of wanting to move, affecting individuals in large scales so that people from remote villages do not just think of moving to their capital city but to bigger countries such as Canada, or the U.S. And, as international capital shifts and production and technology generate different needs for different countries, they affect the many different immigration and refugee policies as well as internal industries, leading moving groups or individuals never to let their imagination rest too long on where to go.⁵³ This is more concretely interpreted by the effects NAFTA had on Mexico, as well as Mexico's neighbouring countries, such as Guatemala. Indirectly affected by NAFTA, Guatemala lost different agricultural trades with Mexico and the US, which led to a decrease in internal revenue, eventually dispersing into other industries including the coffee industry. As a result, Guatemala lost some of its American market concerning coffee exports, due to the fact that Mexico became the chief coffee supplier to the US, exporting close to 90% of its total coffee production.⁵⁴ As such, coffee producing countries are affected by ethnoscaapes in the way in which their different trade agreements are established. These agreements may influence the coffee industries amongst various producing countries adding to the already existing instabilities of the coffee production business, forcing coffee pickers and even small-scale coffee producers

⁵³ Ibid.

⁵⁴ ANACAFÉ, Hombres, p.24.

to sometimes become seasonal workers in other industries within their own country or abroad. Technoscapes refer to the global configuration and fluidity of high, low, mechanical and informational technology, moving at high speeds across various kinds of previously unreceptive boundaries. This means that various countries contain the roots of multinational enterprises providing different components of new technological configurations. The odd distribution of these technologies are increasingly driven not by obvious economies of scale, political control or market rationality, but of increasingly complex relationships between money flows, political possibilities and the availability of both low and high skilled labour⁵⁵, previously exemplified within NAFTA through maquilas and their exploitation of cheap unskilled labour, significantly available throughout Mexico.

Finanscapes help to further understand the meaning of Appadurai's technoscapes, since the nature of global capital is now a more mysterious, rapid and difficult landscape to follow as currency markets, stock exchanges and commodity speculations move megamonies at blinding speeds with absolute implications for everyone. However, the critical points lies in that the global relationship between ethnoscaples, technoscapes and finanscapes is extremely disjunctive, uneven and profoundly unpredictable, since each landscape is subject to its own restrictions and incentives. Therefore, an elementary model of global political economy must take into account the shifting relationship between perspectives on human movement, technological flow, and financial transfers, which can accommodate the disjunctive relationships with one another.⁵⁶

Within coffee producing countries, ethnoscaples, technoscapes and finanscapes affect the

⁵⁵ Featherstone, *Global Culture*, p. 298.

⁵⁶ Ibid.

coffee industry through people, technology and money affecting coffee production in the way different people come to aid production and coffee producers based on international help, through cooperatives and associations, and the technology which these are able to provide the industry with. The technology can range from new methods of growing coffee, to machinery, to the way in producers deal with the market using a more direct approach through the internet; such as examining stock market prices and obtaining a more advantageous market to sell to via internet. From these disjunctures, according to Appadurai we come to find mediascapes and ideoscapes, which are related landscapes of images which are based on our perception of the world around us.⁵⁷

Mediascapes refer to the distribution of the electronic capabilities to produce and circulate information regarding the world of commodities in newspapers, magazines, and overall media, made available to a growing number of public and private interests throughout the world, in which the world of commodities and politics are intensely mixed.⁵⁸ Similarly, ideoscapes refer to series of images that are often political and have to do with ideologies of states or counter-ideologies which may want to influence a nation's ideologies or power.⁵⁹ This is illustrated in the way coffee producing countries through newspaper articles, ads, or slogans, direct their industry based on the demands of their economies and the international market.

As a result of globalization agreements, such as NAFTA, we find that many groups have formed at the local or international level and have materialised through ethnoscaples, technoscapes and finanscapes, in order to protect the livelihoods of many small-scale coffee producers worldwide who ultimately suffer the consequences of

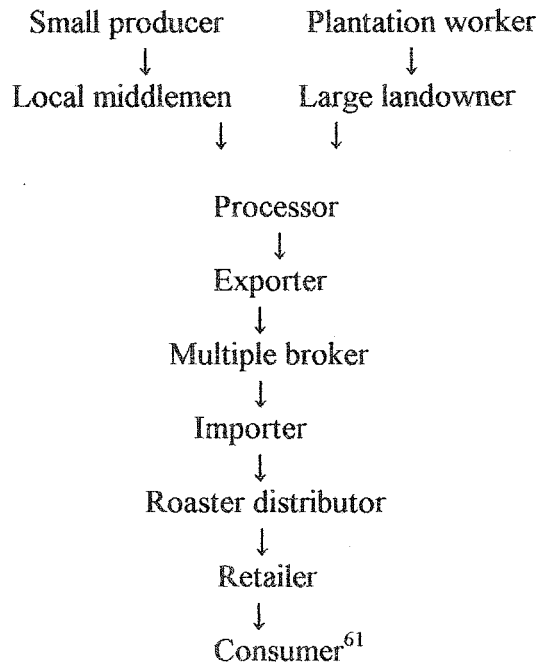
⁵⁷Ibid.

⁵⁸Ibid. , p.298.

⁵⁹Ibid. , p.299.

international trade. Some of these groups or organizations, such as Equiterre, Trans Fair, or Equal Exchange, function as cooperatives with one common principle: to provide and improve the livelihoods of many small-scale coffee producers. As mentioned earlier, such movements evolved out of the pressures globalization and international trades have placed and intensified on different industries in third world countries, especially within the coffee industry. Thus, under the hands of globalization and trade many commodities are sold cheaply and as a result, the hard labour that goes into producing them, mainly in third world countries, is never monetarily recognized. It is usually the case for small scale producers, to sell to local merchants who then sell to other parties and other international corporations that export the product, thus making a larger profit than the actual producer was accorded. In commodities such as coffee, the conventional and long path of coffee involves several parties supported by the structures and unevenness of globalization and capital, producing a larger profit at each level of transaction than the actual producer was accorded. Laure Waridel (2002) explains that within coffee production there can be more than one local middlemen. Large landowners usually have their own processing plants where coffee is depulped and shelled prior to export. In addition, some coffee processors export directly, while others are linked to multinational corporations in other importing countries. And typically, coffee importing companies roast, package and market the coffee they import.⁶⁰ Additionally, Waridel illustrates the conventional route of coffee and its middlemen as something like this:

⁶⁰ Ibid. , p. 43.



It is important to note that from the processor to the retailer, an added amount is gained in profit since at each step that coffee advances on this ladder a profit is made. Thus small-scale coffee producers earn a much lesser profit than any other member in the coffee trade, while the heavy burden of growing coffee is placed on them. Therefore, based on the profit small-scale coffee producers are accorded for their product, organizations such as Equiterre or Equal Exchange, to name a few, have attempted to redirect the traditional route of coffee within the international market, from producer to retailer, in order to find a more economically advantageous and fair route for small-scale coffee producers. Organizations such as Equiterre, are based on the principles of fair-trade which include: direct trade or buying directly from cooperatives or producers; fair price: producers and fair-trade organizations (FTO) fix a price that takes into account the needs of the producer and the realities of the international coffee market; long-term

⁶¹Waridel , *Coffee with Pleasure*, p. 43.

commitment: there is a commitment between FTO's and the coffee producers to engage in trade allowing better planning for the producers; available credit for producers at low rates, contrasting national banks which create a never ending circle of debt for producers; democratic management: all producers must have an equal voice in their organization and must divide the profits equally; public information: FTO's must provide consumers information about the coffee producers and must stress the need to support fair trade therefore; and environmental conservation and community development: FTO's support communities that have a sustainable community development plan. Also, most cooperatives or organizations use no pesticides or fertilizers, and most coffee is grown using the natural shade of trees, thereby preserving the environment as well as the habitat for many birds.⁶² Fair-trade also brings consumers closer to the producers, through the elimination of the various intermediaries who would commonly take part in the coffee trade, so it is possible to state that fair trade is built on justice and not charity.⁶³ Fair-trade coffee is sold directly by the producer or the cooperative to an importer member of a FTO. Cooperatives and buyers usually sign contracts in advance to ensure a reasonable and just price, as well as a guaranteed market for their coffee regardless of what the actual international coffee market may dictate at the time. In terms of prices, fair-trade guarantees a set price to the coffee producers, regardless of whether the price of coffee may decrease at any time. In the case of a higher price being dictated by the market, fair-trade will accord this higher price.⁶⁴

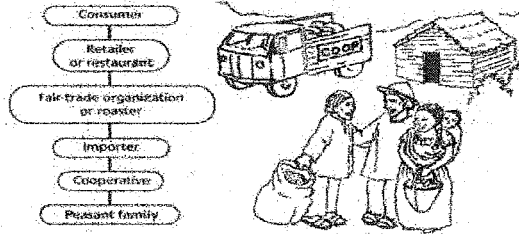
⁶² Ibid. , p. 65.

⁶³ Ibid. , p. 63.

⁶⁴ Ibid. , p. 48.

Fair trade

allows consumers to exercise their buying power and counter the weakness of international trade. It supports the work of coffee-growing families who are struggling to improve their standards of living and secure environmental protection.



Look for the certified fair trade label...

TransFair Canada is one organization that certifies that the coffee bearing its logo meets fair trade criteria, which are as follows:

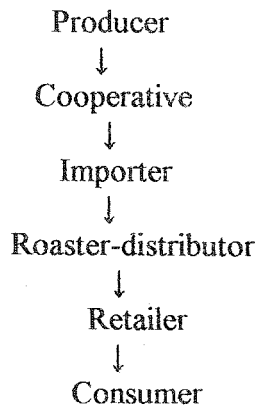


- The coffee must be bought directly from family cooperatives that use small-scale, environmentally-sustainable production methods. The cooperatives must be democratically organized and use their collective strength to set up community health, education, transportation, and environmental-protection projects.
- A minimum of 10¢/lb (20¢/kg) of America coffee must be paid to participating cooperatives.
- Cooperatives can obtain cash advances and/or advance loans from Northern partners with whom they have long-term agreements.

Figure 5. Fair-Trade pamphlet informing consumers of a “fair” route of coffee, from tree to cup.

Source : Transfair

The following diagram as outlined by Laure Waridel (2002), outlines the different path coffee travels through, from producer to consumer under a fair-trade coffee route ‘From coffee tree to cup’⁶⁵, which is the actual model applied by any FTO when exporting fair trade coffee abroad:



⁶⁵ Ibid., p. 64.

This fair-oriented coffee route enables coffee producers to reduce the number of middlemen and to break away from the cycle of dependence and exploitation which economic and political factors, derived from globalization and the international market, have subjected them to. However, FTO's are not available to all small-scale coffee producers within Guatemala. This is because in order to become a member of a FTO coffee producers need their coffee classified "certified organic", meaning that no pesticides were used at any time in the growing process, except for natural methods, such as different kinds of insects that would not attack the plant but rather protect it as a home. This is a hard regulation to abide by for Guatemalan coffee producers who already depend partly on Mother Nature to provide good weather conditions for growing coffee, because growing organic coffee demands even more dependency on climatic conditions as well as more time and money to dedicate to coffee crops. In addition, FTO's may not always be able to reach coffee productions located in extreme rural areas, affected by lack of accessible roads and where basic technology such as electricity and running water may be scarce.

2.1 Price Set-Up and International Trade.

The process of growing coffee is characterized by arduous intensive labour, low price returns and ultimately economic hardship, even when basic technology is available. There are two varieties of coffee beans: Robusta and Arabica. Growing different coffee beans entails different methods since each are grown under different climates and as a result, generate different tastes in the cup as well as different physical attributions on the bean itself. Consequently, international coffee prices vary according to the variety of

coffee bean. Robusta plants need less attention and meticulous care. They also lack acidity in the cup unlike Arabica beans. Arabica plants, need much more attention, care, and perfect climate and altitude conditions as well. The price for Robusta beans is determined on the London Commodity Exchange Market, while for Arabica beans it is determined on the New York Commodity Exchange.⁶⁶ Many different factors determine the price of coffee on either markets, including the amount of beans available, the more there are the less the price will be. There is also the demand, that is the amount of coffee people want to consume. However, the higher the demand the lower the prices will be. This is because if prices rise people will plant more coffee trees, and although coffee trees will not bear fruit until about 3 years from the time they are planted, the excess of coffee beans available will only lead to even lower prices.⁶⁷

The abundance of coffee worldwide has greatly affected the price of coffee internationally, leading it to hover around \$1 per pound since the collapse of the International Coffee Agreement (ICA) in 1989. The ICA was an agreement that regulated the amount of coffee that was to be sold on the international market in order not to saturate the market with coffee, which could lead to a dramatic drop in prices. However, when demand grew producers sold more than the share they were allowed to, and so few countries respected it ultimately leading to its overall collapse in 1989.⁶⁸ Only a natural event such as frost affecting a coffee growing region will affect and restrict supply, thereby leading to a sharp increase in prices. Such was the case in 1975 and 1984, when a severe frost damaged Brazilian crops causing a sharp increase in the price of coffee beans worldwide. Coffee producers in over 50 nations are hostage to a

⁶⁶ Ransom , The No-nonsense Guide, p. 48.

⁶⁷ Ibid.

⁶⁸ Ibid.

post-ICA market and generally receive less than half of the price set on the New York Commodity Exchange or 30 to 50 cents per pound of coffee, which could retail for as much as \$10.⁶⁹

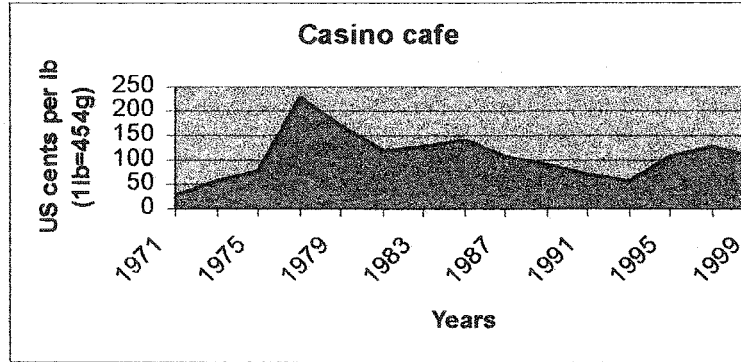
As a result, fair-trade has attempted to act as an external response (it did not originate from the coffee producing countries) to all the different pressures placed on the coffee market, which have been rooted in colonialism and produce the same colonial economic outcome for the coffee producers who have and continue to be situated at the bottom of the economic scale of production.

The following tables highlight the variation of prices in the New York Commodity Exchange market during the past 20 years, as well as those accorded by fair trade organizations to producers world wide during a one-year period.

⁶⁹Ibid.

The Price of Coffee on the New York Commodity Exchange 1970-99

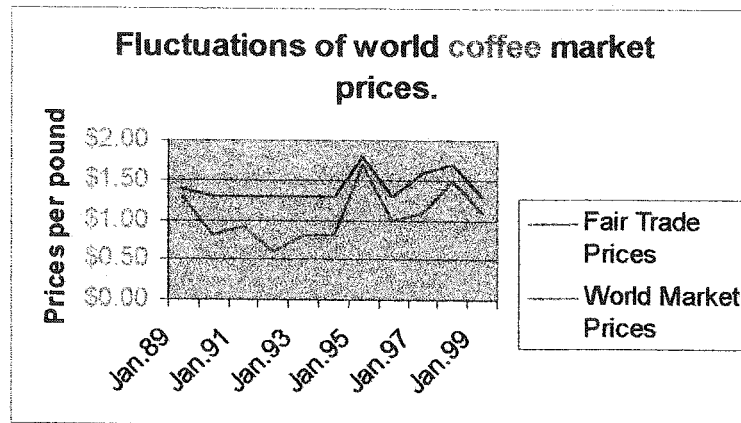
Table 1.



Source: The No-Nonsense Guide to Fair Trade, 2001.

Fluctuations of world coffee market prices, and Fair Trade prices
January 1989-1999.

Table 2.



Source: Equal Exchange.com (2001).

Yet, fair trade is not the only strategy that has risen against the pressures of globalization. Many countries have created other types of trade amongst themselves, in order to survive and overcome these pressures leaving the great giants out of the deal, such as the US and Europe. One of the biggest agreements amongst nations was born in South America: The Common Market of the South (MERCOSUR).

MERCOSUR originated in 1991 comprising with the collaboration of six countries: Argentina, Brazil, Paraguay and Uruguay, originally; and in 1996, Bolivia and Chile were also incorporated.⁷⁰ MERCOSUR is a customs union agreement that is progressively evolving towards greater levels of integration with the goal of becoming a common market.⁷¹ Based on the principles of a free market without government intervention, MERCOSUR was formed with the incentive of being business run through a common market council, to act as a governing organ that would implement procedures and responsibilities applicable to its members without the influence of mega-economies, such as the US, which could eventually crush domestic industries as in the case of Mexico's maize within NAFTA. The principle institutional traits of MERCOSUR include: strong inter-governmental bias of its organs; key role of consensus in decision making; and the non-existence of an autonomous legal order, including a jurisdictional or body of authority to settle disputes. These features have helped MERCOSUR emphasize its goal of continuous bargaining, flexibility and adaptability of its own markets.⁷² In this manner, the members of MERCOSUR are approaching intergovernmental trade as an option to expand their role within the rules of globalization. The nations which

⁷⁰Victor-Bulmer Thomas, ed. , Regional Integration in Latin America and the Caribbean: The Political Economy of Open Regionalism , (London , 2001) , p.20.

⁷¹ Ibid. , p. 20.

⁷² Ibid. , p. 117.

MERCOSUR comprises of engage in exporting and importing within the boundaries of MERCOSUR, in order to secure a market for their products outside of the conventional route of trading with the US or Europe, which they also adhere to. MERCOSUR differs greatly from NAFTA, in the way in which business trades are created by not allowing any type of hierarchical position, preference or special privileges amongst its members. Members of MERCOSUR engage in trades as a collective and all benefit equally. This new way of thinking about the market available for South American countries has been labelled “New Regionalism”, in which a new development strategy based on market openings, undistortive relative prices and deregulation/privatization, are the elements which embody it.⁷³ Additionally, the New Regionalism has allowed for neighbouring economies to increase trade with one another and to equally compete side by side in search of other markets if so desired. So, conventional thinking strategies that have affected the coffee industry through international trades, have not provided positive outcomes for this industry, especially for those located within the domain of production. Different ways of approaching the international market have allowed for strategies such as the New Regionalism to provide for new venues for market integration which have had positive outcomes for coffee producing countries, as well as other industries.

Conclusion.

It is not surprising to find the same inequalities embedded in colonialism to resurface within today’s coffee industry, especially in Guatemala’s. Additionally, in international trades, such as NAFTA, we find third world countries to be responsible for

⁷³ Ibid. , p. 19,20.

more than their share on the bargaining table. Still, strategies that come about such as the New Regionalism, provide a window of opportunity for different industries in countries holding disadvantaged economies, such as in the case of Guatemala's coffee industry. In the following chapter, *The History of Coffee in Guatemala: Land Policies, Succession of governments and the International Market*; I will take a closer look at how coffee has been Guatemala's most important export from its colonial days, as well as its overall production, which countries it sells to, which countries it is competing against with in the globalized markets, as well as the different ways to overcome the present coffee crisis. In addition, I will examine the ways in which the New Regionalism has affected Guatemala's coffee industry, the political issues that have affected this industry within Guatemala, and the reasons why the roots of coffee are deeply embedded in exploitation within this country.

THE HISTORY OF COFFEE IN GUATEMALA: LAND POLICIES, SUCCESSION OF GOVERNMENTS, AND THE INTERNATIONAL MARKET.

In this section, I will examine Guatemala's coffee industry in terms of production, as well as the different political and economic factors that have affected its past, present and may affect its future role within the scope of globalization; international trade; emerging traits, such as the New Regionalism; and the international coffee market.

1. Geopolitics of Guatemala.

Guatemala is a country located between Mexico, Belize, Honduras and El Salvador. Known as the land of "Eternal Spring", Guatemala is marked by its large Indian population, whose shoulders have historically supported Guatemala's coffee industry, also its main industry.

In the 1840's Guatemala's export economy was based on a red-dye "cochineal", produced by an insect that fed on cactus. Once the insect was dried, it produced a brilliant shining red that was very much in demand in Europe at the time.⁷⁴ However, in 1856 the Europeans invented a substitute for the "cochineal" and it became clear that Guatemala's main export would soon decline. With this in mind, Guatemala's president at the time, Carrera (a man of Indian descent), encouraged agricultural diversification away from "cochineal", approved of the growth of coffee instead, and also encouraged cotton and sugar, in order to diversify the country's economy.⁷⁵ Carrera supported and aligned himself with the Conservatives, meaning he respected native cultures, protected

⁷⁴ Pendergrast, Uncommon Grounds, p. 31.

⁷⁵ *Ibid.* p. 31.

Indians as well as possible, and tried to incorporate them into his government. Unlike the liberals⁷⁶, Carrera was concerned with Guatemala's self-sufficiency rather than with an excessive reliance on foreign markets.⁷⁷ Three years earlier (1853), coffee beans had appeared among Guatemala's official records in exports, and in 1873 General Justo Rufino Barrios, a coffee grower himself, instituted a series of liberal reforms that made it easier to grow and export coffee. Unfortunately, these reforms came at the expense of most of the Guatemalan Indian population since the lands where coffee grew best were located on the sides of volcanoes where most Indians lived. The liberal reforms then, allowed for the government to take these lands away from their occupants.⁷⁸ In addition, the liberal government defined lands not planted in coffee, sugar, cacao, or pasture as idle (around 200,000 acres), and claimed them as national property in order to sell them cheaply in lots of up to 550 acres. However, any required payment automatically excluded Indians from any ownership due to their lack of monetary resources.⁷⁹

In Guatemala things started to improve in the 1940's under the government of Juan Jose Arevalo, who introduced a series of social reforms that affected the coffee industry, and aimed at overcoming the imprints left over by the dictatorship of the previous government of Jorge Ubico. In 1944 Guatemala's president Arevalo abolished the vagrancy laws and other forms of forced labour that had been established by the former president who was overthrown. The state also assumed ownership of coffee plantations that had been expropriated from the Germans during the war⁸⁰, with the objective of

⁷⁶ Liberals favoured the rising middle class, challenged the power of the Catholic church, and sought to civilize the Indians. Conservatives, generally supported the Catholic church and protected the Indians in a paternalistic manner. Ibid., p.30.

⁷⁷ Ibid., pp. 30,31.

⁷⁸ Ibid., p. 31.

⁷⁹ Ibid., p. 32.

⁸⁰ Pendergrast, Uncommon Grounds, pp. 252, 253.

promoting a true Guatemalan coffee industry as well as government control over it. When General Arbenz Guzman assumed power in 1951, succeeding Arevalo, he promised to transform Guatemala into an economically independent country far from its colonial roots. The following year Guatemala passed a law which called for the redistribution of public lands: those not being farmed by their owners, as well as those over 90 hectares, while those forced to sell their land would be rewarded through tax assessments.⁸¹ In this way, the Arbenz government handed over more than 100 former German coffee plantations to peasants and Indians, some which became cooperatives. This was the beginning of Guatemala's agrarian reform, a significant event for most Indians who did not own any land since most plantations were greater than 1100 acres. And although they accounted for only 0.3% of all farms, they accounted for more than half of the country's farmland.⁸² It is speculated that while some of the Germans went back to their homeland, others worked on the cooperatives as engineers and others set up businesses of their own.

The United Fruit Company (an American company), suffered great consequences due to the agrarian reform since much of its potential banana land was uncultivated, and had been undervalued to avoid taxation, forcing the company to sell the land much below its market value. These dilemmas which threatened American business interests' convinced US president Eisenhower in 1953, to approve CIA operation "Success": a plan to overthrow the socialist reforming Arbenz regime.⁸³

Operation Success was a success for the CIA but it was a disaster for Guatemala, one that brought long-term damaging results. Guatemala's new president Castillo Armas,

⁸¹ Ibid. , p. 252.

⁸² Ibid.

⁸³ Ibid.

was hand picked by the CIA, and immediately reversed the progressive reforms of the former government. He restored the private police and even outlawed private political parties, and all other peasant and Indian organizations. Thus within a year, through the use of violence and force, Castillo Armas' government had driven most of the peasants and Indians off the land they had acquired through the former Arbenz government.⁸⁴

Hence, the legacy of exploitation, violence and discrimination embedded in colonialism which most Indians were overcoming with the help of the Arbenz government, was now officially re-instituted through the new government policies of Castillo Armas. Armas was assassinated in 1957, but his government led the country into three decades of repression, violence and death squads, a symbol of US intervention, that could be found along Guatemala's country side. The Coffee elite relied again on cheap labour and though many frowned upon the violence inflicted on their indigenous workers, it allowed them to continue their legacy of land ownership and status.⁸⁵

Until the late 1970's most of Guatemalan's Indians were trying to survive from the legacy of violence and corruption left within the government since the overthrow of Arbenz in 1954. This legacy was also marked by the repressive military regimes that followed along with the bloody resistance they found in the country side.

Most Indians lived on the Guatemalan highlands subsisting on their small plots of corn and suffering from malnutrition. An activist remarked: "men, women, and children pile into labour contractors...and head to plantations....They get sick and have no medical attention. Besides their daily wage, they are entitled to tortillas and perhaps beans-not even coffee".⁸⁶ In 1992 the Nobel Peace Prize winner Rigoberta Menchu, of Mayan

⁸⁴ Ibid. , p. 253.

⁸⁵ Ibid. , p. 254.

descent, illustrated the legacy of violence to which the Mayan have been subjected to throughout different governments. While being exiled in Mexico she expressed: "It was not only now we were being killed; they had been killing us since we were children, through malnutrition, hunger, poverty".⁸⁷ Despite all the violence and different socio-economic encounters Guatemala's coffee production has dealt with throughout its history, Guatemalan highlands have produced coffee in different parts of the country and under different climates, leading to an industry that has become very important to the country's survival, from its colonial times and continuing today under the pressures of globalization and international trade.

2. Geopolitics of Coffee.

Like the history of Brazil, Guatemala tried to attract immigrant labour on coffee plantations during the late 1800's, but the effort failed. Guatemala then needed its Indian population to serve in the coffee plantations, although most Indians preferred not to since they would be living in self-sufficient villages earning little money.⁸⁸ Based on the colonialist ideas at the time, the liberal government solved this problem by implementing forced labour and debt peonage (advancements of salary) through policy, that is by taking coffee lands away from their Indian owners not just their occupants and giving them marginal land, thereby forcing them to work on someone else's plantation. In this way, through the coffee industry Guatemala's government built the foundation for inequalities to exist within coffee production. Thus for many Indians the only

⁸⁶ Ibid. , pp. 330, 331.

⁸⁷ Ibid. , p. 331.

⁸⁸ Pendergrast, Uncommon Grounds, p. 32.

alternative to this type of slave labour on a coffee plantation was to flee.⁸⁹ In this manner, Guatemala's coffee economy at the time frustrated those involved such as, large plantation owners; contractors, those who hired labourers or Indians; and the labourers themselves because it relied on the power of the coffee grower and the powerlessness and misery of the Indian population.⁹⁰

In 1877, the Liberal government passed a law helping foreigners to obtain land and granting a 10 year tax exemption period, and a six year exemption on import duties of tools and machinery with the intentions of bringing more capital to the Guatemalan coffee industry.⁹¹ This enticed and allowed many Germans who fled from their government's militarism to enter Guatemala and other countries in Central America. By the late 1890's the Germans owned more than forty coffee plantations throughout Guatemala and were able to build a railroad line to the sea with private capital they had obtained from Germany. The Germans started a trend of increasing capital and modernization within Guatemala which marked Guatemala's overall coffee industry.⁹² At the time, the largest coffee plantations (over 100), represented only 3.5 % of the total number of coffee plantations in Guatemala, but accounted for more than half of the total output⁹³, indicating their large capability for coffee production.

Large plantations usually had their own processing machinery and even grew their own food. On the other hand, small coffee farms, owned by peasants or Indians, were only a few acres in size and usually relied on the large plantations for processing

⁸⁹ Ibid.

⁹⁰ Ibid. , p. 33.

⁹¹ Ibid. , p. 34.

⁹² Ibid.

⁹³ Ibid.

their coffee. This had implications for the peasants or Indians since many at times were forced to work on the larger plantations in order to pay for the service of the beneficio.⁹⁴ It should be noted that the word “peasant” refers to poor non-Indians who took up coffee production as a way of life. Credit has also played a major role for large or small-scale coffee producers and securing it has marked the history of Guatemalan coffee. As described by Mark Pendergrast (1999):

European or North American banks, would loan to coffee import houses at 6 percent. The import houses in turn would loan to export houses at 8 percent, who then loaned to large growers or beneficios (coffee processing plants) at 12 percent. The small farmer would have to pay the beneficio 14 to 25 percent, depending on the perceived risk. Most entrepreneurs starting a plantation found themselves deep in debt before their first crop matured four years later.⁹⁵

And so historically, obtaining credit for coffee producers has not always been easily accessible as illustrated above; even when revenues based on production seemed promising which is usually the case for Arabica beans, characterized as a higher quality bean with superior attributes in the cup, unlike Robusta beans.

In the late 19th century as the coffee industry was developing worldwide, coffee began to be referred to by importers as Brazils or Robusta, and milds or Arabica. Brazilian coffees were gaining a reputation for lower quality, while other more carefully processed beans were becoming known as milds for not being as harsh as the Brazils in the cup. Also, Brazilian workers simply would strip tree branches, unlike Guatemalan workers, who must pick the ripe berries one by one, and are then processed through the “wet” method, that is, depulped by a machine; left in water to ferment, and as their

⁹⁴ Ibid. The word beneficio, refers to a processing mill, where coffee goes through a “wet” process, in which its mucilage is loosened.

⁹⁵ Ibid. , p.35.

mucilage decomposes, it loosens its sticky binding, thus giving a more subtle flavour to the bean itself, one which can be tasted in the cup.⁹⁶ Thus “milds” or Arabica beans, require painstaking labour, which must be carried out efficiently by many workers due to its meticulous nature, and must be performed swiftly in order to produce a substantial day wage for the worker.



Figure 6. Step one of “wet process”. Coffee beans are soaked and washed before travelling to step two.

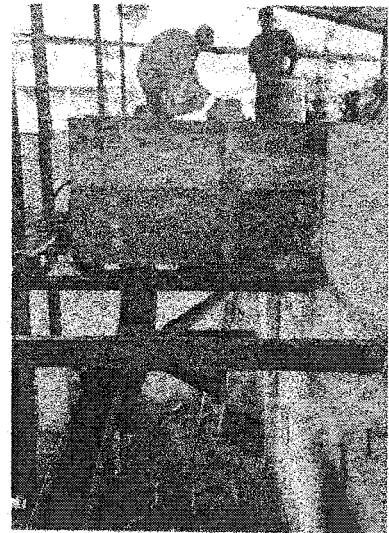


Figure 7. Coffee beans travelling to step two.

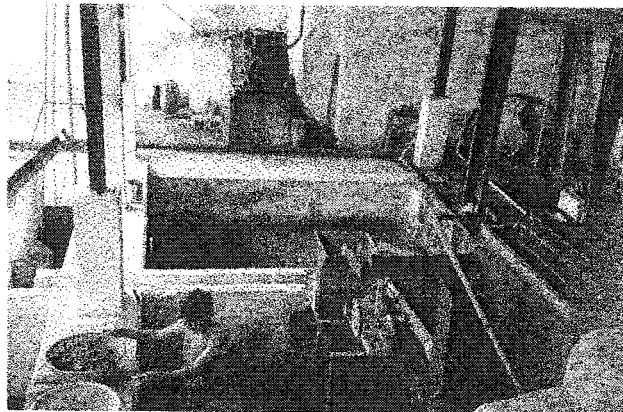


Figure 8. Step three of “wet process”. Coffee beans are soaked until mucilage loosens, and are then collected to be dried.

Images collected by: Karina Gonzalez Soto.

⁹⁶ Ibid. , pp. 36, 37.

With respect to coffee labourers or coffee pickers, in Guatemala and elsewhere, they have always been women, their children and men. Women and children have usually been assigned to sorting and have also been paid less than men historically. The men perform jobs such as cleaning, planting, digging irrigation ditches and harvesting as well.⁹⁷ Coffee in Guatemala has supported the social inequalities and mistreatment of its indigenous people along an explosive growth of coffee, due to the liberal policies instituted by its earlier governments. However, in neighbouring countries such as Costa Rica, coffee took a different path to flourish due to the lack of a ready labour force inexistent due to colonialism. In Costa Rica most indigenous people had been killed by the Spanish settlers or by diseases and by the time Costa Rica established its coffee market (around 1830's), it couldn't establish the labour force that countries such as Guatemala and Brazil had established. Thus in Costa Rica, small coffee farms were the norm.⁹⁸

2.1 Guatemalan Coffee Production

Like Costa Rica, Guatemala is complemented by highlands and climate that allow for the production of Arabica coffee beans in different parts of the country, earning Guatemala a distinguished reputation worldwide as a coffee producer. Guatemala's coffee falls within the category of "milds", which is a mild arabica bean grown high on the mountainsides and well known especially in Europe, bearing prestigious reputation

⁹⁷ Ibid. p.37.

⁹⁸ In Costa Rica, the British originally dominated the coffee trade, but it was not long until the Germans moved in, and so by the early 20th century, they owned many *beneficios* and large plantations as well. Nevertheless, in Costa Rica it was very possible for the native poor to climb up the ladder in the coffee industry and join the social elite; which was very unlikely in Guatemala. Ibid. P40,41.

due to its distinctive taste in the cup.⁹⁹ During the period of 1973-1993, coffee cultivated areas in Guatemala have fluctuated between 328 and 408 thousands of manzanas¹⁰⁰, with an average of 368,000. In the last 10 years, this number has increased to 372,000 and in the last 5 years to 386,000 manzanas.¹⁰¹



Figure 9. Guatemala's highlands in the area of Quetzaltenango.
Collected by: Karina Gonzalez Soto.

Production value is measured by coffee producing countries according to four elements: prices, cultivated land, production per area, and quality of coffee produced. Guatemala has been praised with respect to this last element, because its coffee productions have achieved first prize winners on international contests, which has been especially rewarding to the Guatemalan coffee producers. In addition, ANACAFÉ (Guatemala's National Coffee Association) reports that Guatemalan coffee is able to obtain up to \$4.00 US more per 100 lbs. than other coffees in the world market, illustrating the high

⁹⁹ ANACAFÉ, *Hombres*, p. 22.

¹⁰⁰ The "manzana" measurement is the most common used measurement for land area.

1manzana=6,988.96 sq. metres.

¹⁰¹ ANACAFÉ, *Hombres*, p. 22.

quality of coffee beans Guatemala has to offer.¹⁰² Unfortunately, ANACAFÉ does not provide any other figures to compare Guatemala's average price per 100 lbs. with other countries.

Guatemala's coffee production has been increasing yearly and has surpassed the 4 million quintales (1 quintal= 100 lbs.) mark many times.¹⁰³ Guatemala's production reached record numbers in the harvest year 88'/89', reaching almost 4.5 million quintales, placing it within the ranks of the world's largest coffee producers as well as representing a significant source of profit for coffee producers. For the same year, Brazil, Colombia and Mexico produced 25 million, 13 million, and 4.7 million quintales of coffee respectively.¹⁰⁴

Coffee production has improved due to the availability of agricultural technology Worldwide. Guatemalan coffee production has increased significantly in the last 30 years. During the 1964-1965 harvest, production reached 2.3 million quintales, and as mentioned before, harvest 93'/94' surpassed 4.3 million quintales portraying an increase of 91% during that 30 year period. However, from 1986-1994 production has hovered around 4.3 million quintales per year, showing the lowest and slowest growth in coffee production, that is about 0.4% per year.¹⁰⁵ This low rate in growth is due to the lack of encouragement and unfavourable political conditions for coffee production which were particularly accentuated in the last 15-20 years, due to the different policies implemented by past military governments, regarding the production of coffee. The 5 million

¹⁰² Ibid.

¹⁰³ Research refers to "quintal" as the most commonly used form of weight measure. It also refers to unroasted beans, ready to export.

¹⁰⁴ ANACAFÉ, *Hombres*, pp. 22-29.

¹⁰⁵ Ibid., pp. 77-78.

quintal mark has not been reached yet, and under the present unfavourable conditions of the international market, with respect to prices, it is very unlikely that production will soon reach this number.

Generally, as in other agricultural activities, expecting the financial benefits of production is an element that may play a role in coffee production. Yet, coffee is affected differently by a rise or decrease in prices. When coffee prices are high, producers can invest some of those resources into their plantation or crop, by deciding to grow more plants or increase productivity by hiring labourers to pick coffee berries. And when the prices are low, producers can reduce the amount of pesticides and other methods of care implemented to benefit the harvests. Still, they may never abandon their crops, nor destroy them, because there may always seem to be markets open to meet the expectancy of their crops.¹⁰⁶

Geographically, Guatemala is divided into 22 “departments”.¹⁰⁷ At the moment, eight departments produce 80% of Guatemala’s total coffee production. They are, according to their importance : San Marcos, Santa Rosa, Quetzaltenango, Huehuetenango, Suchitepequez, Chimaltenango, Alta Verapaz, and Guatemala.¹⁰⁸ Their respective levels of production for three past harvests are illustrated in the following table (Table 3), and are averaged in quantities of quintales.

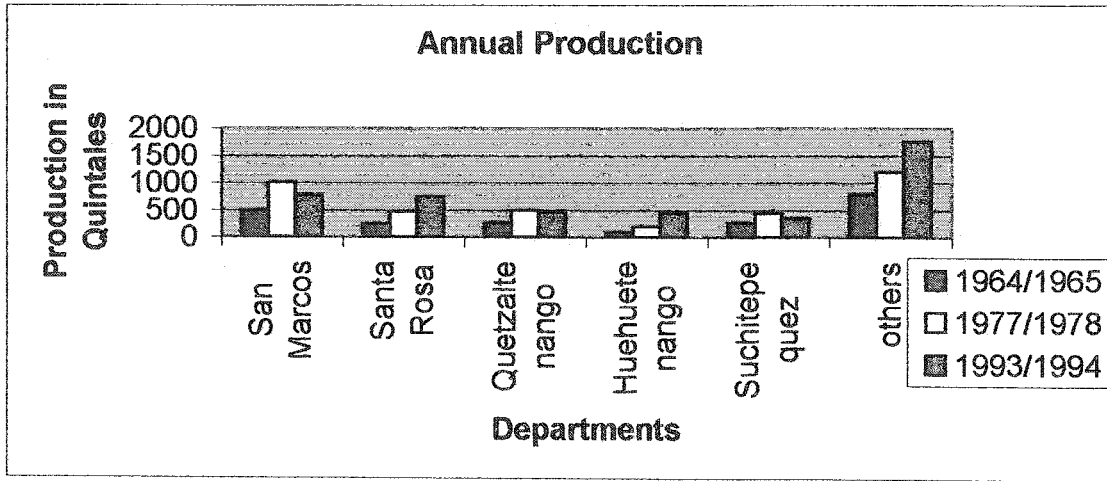
¹⁰⁶ *Ibid.*, p. 78.

¹⁰⁷ Each department can be singled out by the local Indian costume and dialect spoken within that territory.

¹⁰⁸ ANACAFÉ , *Hombres*, p. 79.

Guatemalan Coffee Production
by Department.

Table 3



Source: ANACAFÉ, 1995.

Guatemala's National Coffee Association "ANACAFÉ" has identified three main participants in coffee production: plantations or large-scale producers, cooperatives, and small-scale producers who are usually members of associations. Leading the way in production, we find plantations followed by small-scale producers and cooperatives respectively.¹⁰⁹ There is a strong relationship between Guatemala's economy and the value of its coffee exports, meaning; the more coffee producers are able to sell, the more improvements take place within the economy. For example, the period of 1965/75 shows moderate and stable growth, followed by an increase of about 200 to 300 million US in the period 1976/77 and 1979/80. The average price per quintal even exceeds \$170 US in three of those years. The increase in profit for the periods mentioned before, marked the way in which the Guatemalan economy dealt with the most disastrous earthquake to hit the country in 1976. During this year, coffee production did not stop, meriting the

¹⁰⁹ Ibid., p. 79.

industry as a surviving and overcoming industry. However, this admirable characteristic of the coffee industry went unnoticed and was not acknowledged by neither the government nor the people. Moreover, an important sector of society even believed that coffee's perseverance and prosperity was due to the earthquake itself.¹¹⁰

Coffee prices fell in the coming years and having been used to spending, especially in the public sector and in foreign exchange, the gap in exports and imports only aggravated the country's deficit. Guatemala's military government of the 1983/85 periods stopped all state spending and since it chose not to recognize the deterioration of its own currency, it led the country to a major currency and economic recession which lasted until 1985/86, when it was uplifted by the higher prices coffee attained in the international market reaching \$161.43 US per quintal. As a result, the coffee industry was able to stabilize the national currency and put an end to the economic constraints brought about by the recession.¹¹¹ Guatemala's coffee industry has not been subjected to incentives, but has been marginalized, its treasury hassled, it has also been subjected to discriminatory taxes, insecurity, lack of infrastructure, and other inconsistencies that have not promoted the coffee industry as a whole. Also, during the period of 1989/1994, the lack of motivation within the industry was due to the low prices coffee was attaining in the international market. Still, even through these long periods of economic adjustment and decline, coffee was able to maintain its predominance over other domestic industries, such as sugar, Guatemala's other export commodity. On average, coffee represents 27% of Guatemala's total exports while sugar only accounts for 10%.¹¹²

It is estimated that about 1.7 million people and their livelihoods are directly or

¹¹⁰ Ibid. , p. 82.

¹¹¹ Ibid. , pp. 82, 83.

¹¹² Ibid. , pp. 84-85.

indirectly subjected economically to the coffee industry all across Guatemala.

In the past few years other industries have developed within Guatemala, and so other products have become subject to export and have also become more relevant to the country's economy, such as fruits, vegetables, flowers and many types of seafood.

However, the increase in these exports does not diminish the importance coffee brings to the Guatemalan economy, generating the most significant source of revenue.¹¹³

Still, regardless of the importance coffee has had historically and economically for Guatemala, its government seems to be losing interest in the coffee industry, leaving most responsibilities up to the coffee producers. This is due to reduced funding and the erroneous belief about the elemental conditions needed to grow coffee, in which little resources are needed in order to obtain a normal revenue or production, since Mother Nature is believed to be responsible for this. Government spending on agriculture has deteriorated enormously in the past three decades. In 1974, agricultural spending was 59% greater than what was allocated to the private business sector. However, in 1993 this situation completely changed, and the private business sector received 357% more in spending than the agricultural sector. It is also important to note that participation in the agricultural sector has been declining with 26.4% in 1974, and only 7.8% by 1993.¹¹⁴

ANACAFÉ does not specify the exact declining numbers within the coffee industry nor does it provide the reasons why there has been a sharp decline in government spending in this sector. However, this dramatic decline in government spending happened in the early 90's, and so it is possible to speculate that different pressures brought about by globalization were being exerted in Guatemala. Thus, the increase in government

¹¹³ Ibid. , p. 86.

¹¹⁴ Ibid. , pp. 86-87.

spending in the business sector may have been a consequence of technoscapes and finanscapes, affecting other Guatemalan industries through the implementation of computer technologies to government funded business sectors.

2.2 Prices, Production and the International Market

In addition to internal problems, Guatemala is presently going through one of the worst crisis the coffee industry has ever experienced. This coffee crisis was brought about by the overproduction of coffee by Brazil and Vietnam, which saturated the international coffee market. The overproduction of coffee by Brazil and Vietnam is also a result of the role the New Regionalism has offered to these two countries within the globalized world of open markets and its global cultural economy, where disorganized capitalism has allowed former non-players, such as Vietnam, with financial help from France to enter the coffee industry, through finanscapes and technoscapes. This has meant, that low prices have been accorded to coffee productions worldwide, including Guatemala's. In addition, the coffee crisis has affected prices more intensely, since by the end of the year 2000, coffee producers were already getting a feel of what was to come for future harvests. By December 2000, the highest price they could obtain for one quintal was \$79.95 US, with even more decreasing prices expected to come.¹¹⁵ Within the last eight years, it was in 1996 that Guatemalan coffee producers obtained the best price for their coffee at \$126.51 US per quintal, with a record low for the year 2001 of \$60.65 US per quintal, while in October 2001 prices registered an even lower figure of \$45 US per

¹¹⁵ Aurelio Velia Gomez Monroy , "La Crisis Del Café" , Enfoques Economicos, (Guatemala, 2000) , p. 9.

quintal. Thus, coffee prices in the international market have translated into losses of about 55.2% within the last three years for Guatemalan farmers.¹¹⁶ On the next page, Table four outlines the significance of coffee exports within the Guatemalan economy from 1965 to 1993, as well as the different fluctuations in coffee exports that have characterized the Guatemalan economy .

¹¹⁶ Ibid.P10.

Table 4.

Significancy of Coffee Exports			
year	Total Exports (Millions USD)	Coffee Exports (Millions USD)	Total Coffee Exports (%)
1965	192.1	76.5	39.8%
1966	231.9	112	48.3%
1967	203.9	64.2	31.5%
1968	233.5	83.9	35.9%
1969	262.5	74.7	28.5%
1970	297.1	105.9	35.6%
1971	286.9	91.7	32.0%
1972	335.9	101.5	30.2%
1973	442	152.8	34.6%
1974	582.3	166.9	28.7%
1975	640.9	152.8	23.8%
1976	760.4	220.3	29.0%
1977	1160.2	499.6	43.1%
1978	1092.4	493.6	45.2%
1979	1221.4	448.2	36.7%
1980	1519.8	524.7	34.5%
1981	1299	302.9	23.3%
1982	1170.4	378.5	32.3%
1983	1091.7	302.6	27.7%
1984	1132.2	335	29.6%
1985	1059.7	429.5	40.5%
1986	1043.8	491.1	47.0%
1987	977.9	434.4	44.4%
1988	1021.7	346.3	33.9%
1989	1108	401.3	36.2%
1990	1163	328.4	28.2%
1991	1202.2	285.8	23.8%
1992	1295.3	267.9	20.7%
1993	1340.4	287.6	21.5%
Maximum value			48.3%
Minimum value			20.7%
Average value			33.3%

Source: ANACAFÉ and Banguat

Table four illustrates the fact that overall coffee exports have decreased steadily over the past few years due to overall international competition and overproduction within the market, dropping to an all time low of 21.5% in 1993. In addition, the following table shows the prices on the international market were also affected from the years 1996 to 2000.

Table 5.

Average Prices per Quintal (USD)

Years	Average Price (USD)
1996	91.09
1997	111.92
1998	126.51
1999	96.15
2000	90.28
*2001	60.65

(* Refers to January prices)

Source: ANACAFÉ .

In addition to demonstrating the declining prices of coffee on the international market, Table five is also able to show the fluctuating trend in the prices accorded to coffee in that same market. The present cause for the decrease in prices on the international coffee market is mainly attributed to two factors : Vietnam's over production in the coffee industry, becoming the second largest producer of coffee worldwide; and Brazil's overproduction as well. Both nations have over flooded the market making it impossible for others to obtain a better price for their coffee.¹¹⁷ It is important to mention that the outcomes of the coffee crisis, for Brazil, Vietnam, and other coffee producing countries, such as Guatemala; are a result of the New Regionalism which has brought a positive outcome for Brazil and Vietnam and mixed outcomes for Guatemala.

Hence the New Regionalism, is an open door to anyone willing to take advantage of it characterized by disjunctured cultural flows mentioned by Appadurai. Later in chapter four, I will address these in more detail to show how global culture is characterized by

¹¹⁷ Ibid. , p. 10.

the last two flows, which also support our imagined world through mediascapes and ideoscapes.

It is important to note that Vietnam's 1995/1996 coffee harvests produced 4.0 million sacs¹¹⁸ of unroasted coffee, which by the 1999/2000 harvests had increased to 11.3 million sacs. Guatemala's harvests for the same periods were reported at 5,376.8 and 5,355.0 thousands of quintales respectively¹¹⁹, hence illustrating on the coffee production potential Vietnam has over small coffee producing countries such as Guatemala.

In order to support Guatemala's coffee industry within the country itself, ANACAFÉ is trying to implement four elements which in the short and long run will obtain positive results for the Guatemalan coffee industry. These elements are: participation in the international market via Internet; stimulating domestic coffee consumption; diversification of the coffee plant itself; and availability of international bonds for coffee farmers.¹²⁰ These elements will be discussed further in detail, in this chapter in the section: Surviving the Crisis.

The present crisis the coffee industry is going through is greatly affecting the overall economy in Guatemala. For the year 2000, records show that from January 1st to February 10th, revenues from coffee exports reached \$122.6 millions US; while for the same dates for 2001 coffee revenues were a low \$64.3 million US, showing a decrease of 48% due to the greater and cheaper availability of Vietnam's and Brazil's coffee. Due to the coffee crisis, brought about by the different characteristics of globalization

¹¹⁸ This measurement refers to sacs or bags of 60 kg each, as outlined by Anacafe', 1999.

¹¹⁹ Gomez Monroy, Enfoques Economicos, p. 12.

¹²⁰ Ibid.

especially the New Regionalism , coffee production in Guatemala is once again justifying the historically well-known colonial practice of hiring unskilled labourers, or coffee pickers, and paying them unsubstantial salaries. Supporters of this practice claim that this is done in order to reduce the cost of production, yet in more prosperous times, this allows them to increase their profit by not increasing the low unsubstantial salaries to their workers, rendering them close to slave workers. Despite low salaries, the coffee industry employs about 11% of the Guatemalan population (around 2.2 million people), including transporters, exporters, as well as coffee pickers or seasonal workers.¹²¹

Under the ruling socio-economic conditions affecting Guatemala, the coffee crisis has only aggravated the present conditions affecting this society. Its ill-fated economic effects directly affect the population especially the 62,000 large and small-scale coffee producers, with the latter being affected the worst.¹²²

Consequently, it is small-scale coffee producers who will be forced to find new types of crops, since many of them cannot afford to invest time and money while waiting for things to get better. Also, it is small-scale producers (about 61,000) who obtain lesser government funds (\$50 million US), while large-scale producers (about 203) turn out most of the better quality beans due to higher more fertile lands, and available technological and economical resources, as well as a larger government funding (about \$150 million US) which they are able to obtain.¹²³ For the many coffee producers, and for coffee labourers or coffee pickers, the coffee crisis signifies unemployment, less income, and eventually their livelihood becomes more miserable, meaning, their poverty increases forcing them to find other means to make a living, leading them to unstable

¹²¹ Ibid. , p. 13.

¹²² Ibid. Small-scale farmers constitute the majority of coffee producers in Guatemala.

¹²³ Ibid.

lives and even more unemployment.¹²⁴ Still, the worldwide demand for coffee is what motivates most coffee producers to endure their unstable lifestyles, in order to supply the demand for coffee.

With respect to international coffee production, it is estimated at around 130 million quintales per year. Guatemala ranks fifth place within the world's largest coffee producers, with exports of over 4.5% of the world's total coffee exports. This means that 1 out of 22 cups of coffee being consumed abroad is produced within Guatemala.¹²⁵ There is a total of forty-seven countries worldwide, classified as coffee producing countries. On the following page Table six illustrates the ten most important coffee producing countries worldwide, from 1989 to 1993, positioning Guatemala in fifth place in production and exports, as mentioned above . It should be noted that Vietnam is not included in these figures since at the time, up until 1993, its production was not significant enough to be found amongst the principal coffee producers. In addition, Table six lists overall coffee production that is, Arabica and Robusta beans are to be found together within the meaning of "total" coffee production.

¹²⁴ *Ibid.*

¹²⁵ ANACAFE , Hombres, p.38.

Table 6.

Main Worldwide Coffee Producers (in thousands; in bags of 60 kg each)					
Country	1989/90	1990/91	1991/92	1992/93	Average
Brazil	26.73	30.85	27.53	26.19	27.87
Colombia	13.67	14.43	17.37	16.31	15.46
Indonesia	7.3	7.44	6.86	8.02	7.39
Mexico	5.24	4.53	4.46	4.2	4.61
Guatemala	3.57	3.27	3.43	3.91	3.53
Ethiopia	3.49	3.48	2.9	3.27	3.28
El Salvador	2.86	2.59	2.28	3.18	2.71
India	2.21	2.96	3.09	3.07	2.83
Uganda	2.57	2.69	2.8	3.06	2.77
Ivory Coast	4.87	3.28	3.83	2.73	3.69
Group Total	72.51	75.52	74.55	73.94	74.15
Total Production	97.29	100.49	103.52	91.65	98.24

Source: ANACAFÉ, 1999.

Coffee is a very significant product worldwide, which places it amongst the most important commodities traded in the world. Its production can be found amongst many countries, where it plays a very dominant role within their economy and politics. In the underdeveloped countries where coffee production is found, it represents the main source of income and foreign exchange, as in Guatemala where coffee represents close to a third of the total earned revenue for the country.¹²⁶ As mentioned earlier Guatemala's production comprises mainly of "milds" or Arabica beans. The only country known to produce a greater quantity of Arabica beans, than Guatemala and Mexico, is Colombia. It should be noted that the difference between Guatemala's and Mexico's production of Arabica beans is minimal.¹²⁷ Countries producing "milds" or Arabica beans comprise: Central America, Colombia, Kenya, Tanzania, Dominican Republic, Ecuador, India, Mexico, New Guinea, and Peru.

¹²⁶ Ibid., pp. 16-18.

¹²⁷ Ibid., pp. 19,20.

Under the “Brazils” or Robusta category we find; Brazil, Bolivia, Burundi, Ethiopia, Haiti, Jamaica, Malawi, Panama, Paraguay, Rwanda, Venezuela, and Zimbabwe. And finally, under the “Robusta” we find; Angola, Equatorial Guinea, Ghana, Indonesia, Liberia, Nigeria, Sierra Leone, Sri Lanka, Thailand, and Trinidad and Tobago.¹²⁸

The following table (Table seven) outlines the most significant quantities of Arabica exports worldwide. It is interesting to note that most of the countries found in this table are third world countries, which may be an indication of the effects of North and South trading routes and cultural flows brought about by the New Regionalism and globalization with respect to their coffee industries.

Table 7.

Exports of "Milds" (in thousands; in bags of 60 kg each)					
Country	1991/92	1992/93	1993/94	1994/95	Average
Colombia	12 212	15 467	14 529	12 692	13 725
Mexico	3 526	3 290	3 207	3 297	3 330
Guatemala	2 803	3 288	4 018	3 140	3 312
India	1 511	2 024	1 820	2 205	1 890
El Salvador	2 018	2 176	2 991	2 065	2 313
Costa Rica	2 410	2 275	2 662	2 056	2 351
Honduras	1 427	1 800	1 897	1 661	1 696
Ecuador	1 528	1 229	1 516	1 941	1 554
Peru	985	963	764	787	875
Papua, New Guinea	776	899	1 027	1 118	955
Dominican Rep.	451	318	443	262	369
Nicaragua	420	593	517	587	529
Panama	130	105	150	94	120

Source: ANACAFÉ, 1999.

From table seven, we can infer that the New Regionalism has opened different international markets for third world coffee producing countries, or new grounds for

¹²⁸ Ibid.

profit from West-North countries. Their significant number of exports is a reflection of these prospects. In addition, we have to assume that there is a wide demand for coffee producing countries to take part in the coffee industry as suppliers of this commodity.

The biggest and most important market for coffee producers is found in the United States, whose annual demand in coffee consumption¹²⁹ is ranked first and is estimated at 25% of the world's total coffee consumption. In the same manner, The United States represents for consumption what Brazil represents for production; thus exemplifying a significant model of production and consumption where the demands from both sides are met. Furthermore, The United States' coffee consumption for the period of 1989 to 1993 was 21.5% greater than Brazil's exports for that same period.¹³⁰ This implies that, countries that place such high demands on coffee production like Guatemala, need to look to other countries, within the coffee market, in order to supply their consuming needs. The second largest coffee consuming country in the world is Germany, whose annual coffee consumption represents 14.2% of the world's total consumption. The third place was held by France up until 1993/1994, and was later assigned to Japan, while the Scandinavian countries play a particular and important role in coffee consumption. Although Scandinavian countries hold smaller populations than the US and Germany, their consumption per capita is greater than theirs. Finland is a great example because it occupies first place in consumption per capita in the world.¹³¹ In the following table (Table eight), we find Finland's consumption of coffee at 12.2 Kg per person, ranking first in consumption compared to 4.4 Kg of coffee per person in

¹²⁹ This refers to overall coffee consumption and not per capita.

¹³⁰ ANACAFÉ, *Hombres*, p. 36.

¹³¹ *Ibid.*, pp. 37-38.

the US, ranking in fifteenth place.

Table 8.

Consumption per Capita				
(kgs of coffee consumed per person per year)				
Country	1990	1991	1992	Average
Finland	12.9	11.5	12.3	12.2
Switzerland	11.8	11.1	11.3	11.4
Denmark	10.1	10.6	11.1	10.6
Norway	10.3	10.7	10.3	10.4
Holland	10.3	9.9	10.1	10.1
Austria	10.3	10	9.2	9.8
Sweden	8.1	8.4	8.7	8.4
Germany	8.6	7.9	8	8.2
Belgium/Luxemburg	2.3	3.5	5.9	3.9
France	5.5	5.8	5.9	5.7
Italia	5.1	4.4	N/A	4.7
Singapour	1.6	N/A	4.9	3.3
Spain	4.2	4.1	4.7	4.3
Canada	4.5	4.6	4.2	4.4
USA	4.6	4.5	4.2	4.4
Portugal	3.2	3.2	3.4	3.2
Cyprus	2.9	4	3.1	3.3
United Kingdom	2.5	2.4	2.6	2.5
Japan	2.5	2.9	2.5	2.7
Greece	3.8	2.3	1.9	2.6
Ireland	2	1.9	1.5	1.8

N/A = not available.

Source: ANACAFÉ, 1999.

It is particularly interesting to note that amongst the biggest coffee consuming countries, we only find first world countries and not third world countries, many who are coffee producing countries. In addition, it is also interesting to note that coffee producing countries consume less than a fourth of the world's total coffee production. Overall, it is estimated that one out of five people consume coffee in the world. Also, within the coffee producing countries, Brazil ranks first in consumption with a level similar to that of Germany (8.2 Kg per person) who ranks second amongst coffee

importers, as mentioned before. Still, coffee producing countries do not consume significant amounts of coffee as importing countries do. Thus, based on Finland's consumption, we can conclude that consumption is not linked to a country's size since Finland is relatively smaller than the US, and consumes a much greater quantity of coffee. It is then, worthwhile to examine the different reasons why coffee producing countries do not significantly consume coffee, as importing countries do. I will examine this issue in more detail in chapter four : From Production to consumption. In the meantime, ANACAFÉ has outlined the different trends affecting importing countries and their consumption of coffee.

People's taste and favouritism of coffee as a preferred beverage has been affected through the past years. Until 1984 coffee was the United States' favourite beverage. However, that year it was surpassed for the first time by "soda pop" drinks. The increased production of soda pop beverages has caused a decrease in the consumption of coffee, tea and & milk. It is important to mention that it is the 30's group age that is related to consuming coffee in the United States. This tendency seems to increase as the age group become older, while the tendency seems to decrease as the group age decreases as well. In addition, this may be caused by the effect the media may have on the young population. Based on Appadurai's imagined world's, characterized by mediascapes which affect our perception of the world, younger generations are found to be more susceptible to different kinds of advertising, encouraging them to consume more soda pop, and drinks of the like. It is also possible, that younger generations are also able to identify with colourful soda pop ads, which are characterized by the different music and fashion trends of the time. This may also mean that, as the young generation of teens and

children become older, the consumption of coffee may decrease with their taste for other beverages¹³² which may have serious implications for future international coffee productions and the respective economies within the countries involved in coffee production.

2.3 Industry and Strategies.

Guatemala's most important client in coffee exports is the United States followed by Germany. In the period 1982/1983, Guatemala exported 42% of its total coffee production to the US. In 1989/1990, that number had increased to 55%. In the same period exports to Germany were between 14 to 18% of the total production, while for Holland exports were reduced from 11% to 5%. The following table (Table nine), shows the different fluctuating levels for Guatemala's coffee exports for the early and late 1980's, as well as for the mid 1990's. It is important to highlight that Japan has acquired Guatemala's coffee exports for those same periods, increasing from 4% to 12%. Japan is now Guatemala's third most important client, a rank previously held by Holland.¹³³ From Table nine, it should be noted that the decrease in coffee exports to Holland, coincides with the increase in exports to Japan, and Belgium; reflecting the disorganized or disjunctured ways of behaviour of Guatemalan coffee exports, a result of the global cultural economy under globalization. These forms of disorganized capitalism also illustrate the different ways in which Guatemala is marked by the New Regionalism, because while different markets open with opportunities for its coffee

¹³² Ibid , pp. 41-42.

¹³³ ANACAFÉ , *Hombres* , pp. 83-84.

industry others decline, such as with Holland.

Table 9.

Coffee Exports (in percentages)			
Country of Destination	1981/82	1989/90	1993/94
USA	42%	55%	41%
Germany	18%	14%	17%
Holland	11%	5%	5%
England	6%	1%	less than 1%
Japan	6%	4%	12%
Finland	5%	2%	3%
Italy	4%	4%	5%
Belgium		3%	4%
Others	8%	12%	13%

Source: ANACAFÉ, 1999.

It is important to note that the present world coffee crisis, brought about by the over productions of Brazil and Vietnam, has affected coffee production in Guatemala in that, exports for the 2001/2002 harvest were deemed and expected to be significantly smaller than in previous years. The exact numbers are not available, since at the time I conducted this study, November 2001, the harvest had just started. Export figures reported by Banguat¹³⁴ for 1998 were greater than \$634 million US, while for 1999/2000, they were close to \$600 million US. By August 30th, 2001 exports had only reached \$262 million US that is 44.7% less than the same period for the previous year, when they had reached \$474 million US.¹³⁵ Based on these declining figures, it is important to take a closer look at the different strategies and key players found within the Guatemalan coffee industry, as well as their role within coffee production, to point out the ways in which they have helped to keep the coffee industry alive.

¹³⁴ This is the name used to refer to the "Banco de Guatemala" (Bank of Guatemala).
¹³⁵ "Ganan Puntos", *Prensa Libre* (October 1st, 2001), p. 22.

As mentioned earlier, the New Regionalism has allowed many Latin American countries to re-examine their position and potential within the international market. This has meant looking at new opportunities that would allow their industries to expand into different foreign economies competing against neighbouring countries or engaging in collective trades with them, as in the case of MERCOSUR.

MERCOSUR is an example of the New Regionalism type of thinking strategy, whose main objective lies in regional integration. Regional Integration is characterized by an opening to world markets, promotion of the private sector and withdrawal of the state from direct economic activity.¹³⁶ In addition, governments have supported regional integration as a signal of their continued commitment to liberalisation and to further unilateral openings, even when certain economic or political conditions may not be available. Regional openings can be very popular within a country, because people may regard it as a coming together with certain neighbours. Regional Integration is thus found in many different countries worldwide, and is being used today as an effective policy tool to expand liberalisation, reduce average levels of protection and reinforce competition within the many trades or products found in Latin America.¹³⁷

Ultimately, the New Regionalism seeks to create an open integration of policies compatible with other policies in order to enhance international competitiveness. This includes a preferential element, reflected in integration agreements and reinforced by the geographical closeness of countries within a region.¹³⁸ In other words, the New Regionalism encourages trade with other far-away countries and provides for

¹³⁶ Thomas, ed. Regional Integration, p. 22.

¹³⁷ Ibid., p. 23.

¹³⁸ UN, Open Regionalism in Latin America and the Caribbean, (Economic Commission for Latin America and the Caribbean, 1994), p. 14.

preferential treatment with those countries located within proximity. It is important to note, that it was out of the singularizing characteristic of globalization that the New Regionalism and MERCOSUR were born, in order to protect the uniqueness of their different industries, profit and control, which ultimately benefited those countries involved in them.

The recent outward orientation of Latin American countries has raised a demand for their active and strategic participation in world forums. Their regional integration has also allowed them to operate and become more effective global players. For example; within the Free Trade area, MERCOSUR countries are now able to negotiate as a bloc, obtaining therefore more impact within their negotiations, than had they acted alone, or on their own, thus obtaining more beneficial trade agreements as well as a sense of protection for their respective economies when negotiating against giants such as the US.¹³⁹ This is in part due to the fact that MERCOSUR was created with the coming together of businesses and government trade negotiators who actively participated in shaping the terms of regional integration into MERCOSUR.¹⁴⁰ The New Regionalism is meant to attract foreign investment not restrict it or control it.¹⁴¹ Yet, for the much smaller Central American countries, their geographical proximity appears to be an important factor determining trade patterns in the area.¹⁴² Because the trade amongst the Central American countries is modest and because most of their trade continues to be done mostly with the North (US), this type of Regionalism is sometimes called “dwarf” Regionalism.¹⁴³ Although Central America is marked by its dwarf Regionalism, the New

¹³⁹ Thomas , Regional Integration, (London , 2001), p. 25.

¹⁴⁰ *Ibid* , p. 188.

¹⁴¹ *Ibid* , p. 44.

¹⁴² *Ibid* , p. 264,265.

Regionalism, has allowed for the strong re-introduction of Guatemalan coffee, into the international market with little requirements, which I will illustrate ahead.

Central America's main reason for having a modest trade amongst its countries, lies in the fact that these countries specialize in producing similar commodities for the world, and tend to produce the same products, due to similar patterns in climate and geography, such as fruits, vegetables, sugar and coffee.¹⁴⁴

In the case of Guatemala, "dwarf" Regionalism has affected its main product: coffee. Guatemala is taking advantage of the open international competition available through the New Regionalism in the world coffee trade. This has translated into new open markets to which Guatemala now exports coffee to, such as Cyprus, Greece and Ireland¹⁴⁵, to name a few. However, Guatemala is not the only country taking advantage of this New Regionalism marking different parts of the world. Other countries such as Vietnam have also taken advantage of the New Regionalism, and have responded with excessive productions of coffee, which have drastically affected the coffee industry worldwide. In 1991, Vietnam's total coffee exports totalled 1.2 % of the total world exports, while in the year 2000, Vietnam became the world's second largest exporter of Robusta coffee, behind Brazil, in a short time.¹⁴⁶ Consequently, Vietnam's saturation of coffee within the international market has created a crisis, bringing the price of coffee in the international market to an all time low. Hence in the competitive coffee world market, Guatemala is trying to make its mark not by increasing the quantity of coffee it can export, but by improving the quality of the product in order to take advantage of the

¹⁴³ Ibid., p. 268.

¹⁴⁴ Ibid., p. 262.

¹⁴⁵ ANACAFÉ, *Hombres*, (Guatemala, 1995), p. 39.

¹⁴⁶ *El Cafetal*, III No.7,(2001), 11.

competition available through the New Regionalism, and ultimately globalization.



Figure 10. “El Cafetal” magazine, outlining working recommendations during the coffee crisis. In : El Cafetal : La Revista del Caficultor.

Within Guatemala many factors, in the like of MERCOSUR and fair-trade, have helped Guatemala increase its competitiveness in the international market. First and most importantly, is the support of the Guatemalan National Coffee Association (ANACAFÉ). ANACAFÉ was founded in 1959, with the objective of protecting the national economy and its relation to its coffee production.¹⁴⁷ It should be mentioned that ANACAFÉ is an independent agency supported by government funds; yet, it is not governed by such. ANACAFÉ also provides knowledge to small-scale and large-scale coffee producers who may request its help. In addition, ANACAFÉ is an organization that has no personal interests, except to increase and improve the quality of coffee and the overall Guatemalan

¹⁴⁷ ANACAFÉ , Hombres, p. 5.

coffee industry. Thus with the help of ANACAFÉ and the new opportunities the New Regionalism has brought for Guatemala's coffee industry, Guatemala has redefined their coffee products creating a market that focuses more and more in the production of specialty coffees, creating a competitive advantage for its coffee production.¹⁴⁸

Specialty coffees refer to "pure coffee"; "roasted"; "breakfast or dessert blend"; "decaffeinated"; "flavoured coffees"; and "organic coffee".¹⁴⁹

Consequently, producing specialty coffees requires more attention, time and money, due to the natural methods needed for production which in turn can obtain a higher revenue for those who produce it therefore.¹⁵⁰ ANACAFÉ is also dedicating time, attention and money, to better educate coffee producers, teaching them different ways to make the most of their coffee crops in order to create aggressive competition for Guatemalan coffee in the world market. This type of knowledge is given out to coffee producers through workshops that address the entire coffee making process from growing the coffee tree to producing the perfect coffee bean. The result of this learning process by ANACAFÉ has been an internet coffee auction, with the first one taking place in June 2001, in which the bidders were from different countries worldwide.¹⁵¹

¹⁴⁸ Ibid. , p. 51.

¹⁴⁹ Ibid. , pp. 59-64.

¹⁵⁰ Ibid. p. 55.

¹⁵¹ El Cafetal, III, No.6, (2001).

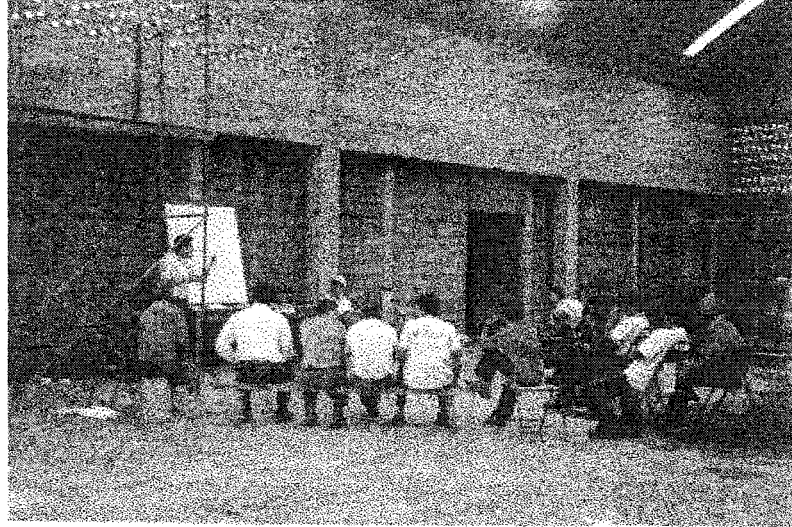


Figure 11. A workshop conducted by ANACAFÉ, in the region of Xojola.
Collected by: Karina Gonzalez Soto.

It is then through this type of approach that Guatemala is redefining their coffee as well as their reputation in the world of coffee. This has been possible through the New Regionalism as well as the opportunities it has brought along, and to the globalization process itself, involving the global culture and the different flows that affect it, through ethnoscapes, technoscapes and finanscapes, from which Guatemalan coffee production has taken advantage of. Ethnoscapes have allowed FTO's (fair-trade organizations) to reach out and help some coffee producers, while through technoscapes ANACAFÉ has implemented knowledge and basic technology, such as electricity to coffee growing rural areas, made possible with the financial help of locally based or international organizations, seeking to improve the lives of people. Although the New Regionalism, has enabled coffee production in Guatemala to find a new way of characterizing itself within the international market, the colonialist traits of impoverishment, exploitation and economic disadvantage found within the coffee industry, still seem to linger within contemporary coffee production and the world market.

Guatemala's coffee industry consists of large-scale and small-scale coffee producers. Small-scale coffee producers tend to work together with cooperatives some fair-trade affiliated and others not, or with collectives also called "associations", or just cooperatives as well. Fair-trade coffee cooperatives consists of fair-trade organizations, which are international foreign funded organizations, that aim at improving the overall livelihood of coffee producers. These fair-trade cooperatives work with small-scale coffee producers, because unlike large-scale coffee producers or plantation owners, they lack monetary resources, machinery and technology essentially needed to process coffee, and FTO's can help provide these for small-scale coffee producers. Large-scale coffee productions usually possess their own processing plants, and charge a fee to those small-scale producers who may need to use them. Fair-trade cooperatives, as mentioned in the previous chapter, are able to provide loans at low interest rates and also redirect the coffee route through a more direct method to the retailer abroad. It is important to mention that fair-trade cooperatives have been able to reach the Guatemalan coffee market within the last ten years, during the materialising period of globalization and the different flows that affect it, thereby allowing the cooperatives to propose a more organized method of obtaining profits and price to Guatemalan coffee productions, affected by the disorganized capital and lack of technology which characterize the global cultural economy with respect to commodities.

Similar to fair-trade cooperatives, are coffee associations of cooperatives, which rather than being funded by international organizations, are self-funded and work together, in order to obtain a better price by way of placing a larger amount of coffee on the market than if they acted individually. However, not all small-scale coffee producers

work with either an association, cooperative or a fair-trade organization, since many of the cultivated coffee lands are located on mountain sides, which can make it difficult for a coffee producer or an organization to be easily accessed or to access such rural locations. Unfortunately, ANACAFÉ is not able to provide the exact number of cooperatives or associations, but only the fact that there are 62,000 coffee producers nationwide. Nevertheless, whether coffee producers in Guatemala belong to an association or cooperative, or are able to maintain coffee productions on their own, Guatemalan coffee has been climbing the ranks in quality and quantity of Arabica beans worldwide.



Figure 12. Xojola cooperative; not fair-trade affiliated.
Collected by: Karina Gonzalez Soto.

2.4 Surviving the Crisis.

As mentioned before, Guatemala's coffee industry is going through a crisis that has been brought about by globalization through regionalism and a regional opening

of Vietnam into the coffee industry worldwide.¹⁵² During the period of 1997/1998, Vietnam started to become an important producer of coffee. Vietnam's overproduction of Robusta coffee, has translated into an excess of this particular type of coffee in the world, while the production of Arabica beans or milds has decreased by 61%.¹⁵³ And so, Guatemala finds its coffee production at this crossroad, hoping to obtain a strong hold since it specializes in producing this particular type of bean. The present coffee crisis is resulting in a major decrease of high quality Arabica beans, marking a distinction between finer coffee beans and those being produced in great massive numbers. Thus Guatemala's strong hold is based on quality. ANACAFÉ has outlined that quality is the best way to compete against the prices and productions from other countries. Guatemala's ideal physical and climate conditions play a key role in this battle, since these two elements are of great importance when producing Arabica beans. From past experiences, Guatemalan coffee producers know that many buyers are extremely demanding when it comes to quality, and so the country's physical qualities provide an advantage to their demands.¹⁵⁴ This is because with Arabica beans, quality depends greatly on the weather to which the coffee plant is exposed to. Consequently, Arabica coffee beans will reflect the weather to which their plant was exposed to, as well as defects, if the weather was bad. It is then during this dominant crisis, that Guatemala's coffee producers know that their country provides them a significant advantage against other countries, in order to gain the satisfaction of the biggest customers and build a strong reputation for their high quality coffee beans.¹⁵⁵

¹⁵² ANACAFÉ, "El Tigre de Asia: saca las garras" El Cafetal, July 2001, p. 18.

¹⁵³ Ibid., p. 19.

¹⁵⁴ Ibid., p. 3.

¹⁵⁵ Ibid.

In the meantime, Guatemalan coffee producers are having to deal with the effects of the coffee crisis, which have meant not working or picking their coffee, in order to save money on the labour costs as well as not spending too much time on their crops. In the small community of Loma Linda, located in El Palmar Quetzaltenango, people had built an organic benefice but are not able to use it due to the lack of coffee grains to be processed, even though the Loma Linda community has been selling coffee to many different fair-trade markets, with their sales reaching an all time low due to the saturation of coffee from other different markets. On average, Loma Linda produces about 2,000 quintales of coffee yearly, but in the year 2001 their production was reduced to 1,500 and it was not even expected to reach the 1,000 quintales mark.¹⁵⁶ This case is an example of the individual effects the coffee crisis is having on the productions of small-scale coffee producers. Thus, in order to overcome this crisis and perhaps other future ones, Guatemala's coffee production, through ANACAFÉ, is trying to implement four elements within the opening provided by the New Regionalism and the different scapes which characterize the global culture. They are: participation in the international market via Internet through the use of technoscapes, using fast flowing technology; stimulating domestic consumption through mediascapes, different advertisements that promote internal consumption of Guatemalan coffee; diversification of the coffee plant itself also through technoscapes, using different implementations of basic scientific agricultural methods, such as producing organic coffee; and Guatemalan government grants of US bonds for coffee producers through finanscapes.

The first and second elements look for the different ways to attract consumers through electronic markets and through the media, while the third element aims at re-evaluating

¹⁵⁶ ANACAFÉ, *El Cafetal*, August 2001, pp. 6-7.

the way in which coffee producers have thought of their coffee crops, and the consumers abroad, addressing preference towards organic productions. This also aims at looking at other crop options for those lands which may not be beneficial for a coffee crop and may be lucrative for something else. The last element aims at obtaining bonds from the Guatemalan government in US dollars that could be more beneficial for the coffee producers and their crops¹⁵⁷, so that in times of weather or economic crises, coffee producers will not feel vulnerable to the price and demands set on the international market.

So far, some of the elements implemented by Guatemala's coffee industry have had positive effects while others have not. Obtaining international bonds from Guatemala's government was of great difficulty for coffee producers because government officials believed that large and medium scale producers did not need it, and therefore did not want to commit to a significant figure.¹⁵⁸ Guatemala's national coffee association, ANACAFÉ, argued in spring 2001 that the coffee industry needed US dollars from its government because of the severity of the crisis: it would allow coffee producers more freedom concerning their crops, and since the country's coffee industry generated US dollars for the economy, it would not be irrational to provide aid to coffee producers with the same currency they generated. At the same time, ANACAFÉ proposed a plan in which large-scale producers, those producing over 100 quintales of unroasted coffee, could collectively benefit from \$100 million US, and small scale producers, those who produce less than 100 quintales of unroasted coffee, could benefit from \$50 million US. Through a plan called "Fideicomiso", administered as a trusteeship, the government

¹⁵⁷ Gomez Monroy, "La Crisis Del Café", *Enfoques Economicos*, pp. 12,13.

¹⁵⁸ ANACAFE, *El Cafetal*, August 2001, p. 10.

agreed to provide only \$100 million US to alleviate the crisis, which was to be divided into 62,000 coffee producers nation wide. Small-scale producers will only obtain \$40 million, while large-scale producers will obtain \$60 million.¹⁵⁹ These numbers are much below what is needed in order to alleviate and support the industry through this crisis.¹⁶⁰ Moreover, these figures also represent the lack of understanding between the government and the coffee producers since small-scale coffee producers are in much more financial trouble than large-scale coffee producers, to whom more assistance was allocated.

Through technoscapes, which facilitated the participation in the international market via Internet, Guatemala was able to achieve a beneficial outcome. On June 6th 2001, a Guatemalan coffee plantation named Las Nubes made record history by obtaining \$11 US per pound of coffee sold to Norway importer Solberg & Hansen AS via internet. In addition, their overall purchase from Las Nubes was equivalent to \$1,000 US per quintal (close to Q780.00 quetzales), a record number since the price for one quintal in the past months had hovered around Q300 quetzales.¹⁶¹

Since this first-time participation in the international market via Internet, many different importing companies have taken an interest in Guatemalan coffee. One of them is Mercanta, a London based company interested in buying coffee directly from coffee producers not through a cooperative, but through different trade deals now facilitated via internet. Mercanta explains that the Internet saves time and money for both exporters and importers. It further explains that while Guatemala is known for its quality beans, Mercanta is always interested to know who the producer is as well as their methods of

¹⁵⁹ Definitions of small and large-scale producers are based on the area 'manzanas' cultivated with coffee.

¹⁶⁰ Ibid.

¹⁶¹ Guatemala's currency.

production. According to Mercanta, this is very important in order to project an image to the consumer who is always interested about the social and ecological value and contribution of a particular coffee. Through the same internet auction held on June 6th, Mercanta purchased coffee from two large-scale coffee plantations in Guatemala: Finca “El Paternal” and Finca “Monte Carmelo”, settling the price at \$2.65 and \$2.01 US per pound, respectively. Mercanta further stated that after the June 2001 Internet auction, an enormous interest has been created for Guatemalan coffee.¹⁶² It is also important to note, that many importers believe that prices found on the stock market, are ridiculous, because they do not reflect the quality of some of the finest coffee beans.¹⁶³

The competition in the production of Arabica beans in the coffee market is fierce comprising of Colombia, Mexico and Guatemala as the three largest producers of Arabica beans worldwide. The competition is also characterized by the fact that these countries are located within Latin America and as such, have very similar economies, affecting the way in which they distribute their resources within their coffee production, affecting it either positively or negatively. The competition between Mexico and Guatemala has been accentuated since the 1993/94 harvest in which Guatemala surpassed Mexico’s export of Arabica beans, while for the 1994/95 harvests, Mexico’s exports of Arabica beans surpassed Guatemala’s minimally. Table seven illustrates this point. In addition, we can also observe in this same table the fact that Guatemala’s exports of Arabica beans have increased somewhat steadily and have maintained themselves around the same numbers, from the early to mid ninety’s, as an indication of the different openings the international coffee market presented to Guatemala due to

¹⁶² ANACAFE , El Cafetal, September 2001, pp. 10,11.

¹⁶³ Ibid. , p. 11.

the materialising of globalization which was particularly exemplified during this period. Still, The opening of the international coffee market through globalization and the New Regionalism offered many opportunities for other coffee producing countries as well, not just Guatemala. Nevertheless, these regional openings within the international coffee market have the potential to provide solutions, and to offer other openings within the same market. Yet, this situation is not expected to change overnight. Different elements are being implemented in order to save Guatemala's backbone and its economy. Most of these elements target the consumer's taste abroad and the way Guatemala's coffee farmers perceive their own product. This is highlighted in the next section.

Conclusion

It seems that just one the previous elements outlined by ANACAFÉ may not be sufficient in order to survive the present crisis affecting the coffee industry, rather the four different elements (participation in the international market via Internet; stimulating domestic consumption through advertisements; diversification of the coffee plant itself, through implementation of different methods of caring for crops; and availability of international bonds for coffee farmers) which have been made possible through the existence of the different flows brought about by globalization, can play a substantial role that can help keep Guatemala's coffee a significant player in the world market.

Still, it seems that Guatemala's coffee producers are left on their own to find different solutions in order to survive this crisis. Many of them are dealing with the crisis

with the help of ANACAFÉ, as well as thinking of other venues that could help them in obtaining any additional income. In the following chapter, Coffee Agriculture and Coffee Culture, I examine the different ways cooperatives, and associations have dealt with the market when selling their product. I also examine the wide knowledge coffee producers have had to acquire as part of survival for their crops and livelihood in order to stay competitive in the international coffee market.

COFFEE AGRICULTURE AND COFFEE CULTURE

Coffee producers in Guatemala are trying to deal with the present coffee crisis within their own economic and technological means. This has meant a closer look at Mother Nature, traditional knowledge, new technologies and techniques that aim towards efficiency and producing a better quality product, rather than employing fertilizers or chemicals of the sort, which I found out during my stay in Guatemala in the fall of 2001 (September to November). During my stay I came across the different effects history and international trade have had on Guatemala's coffee industry. These effects will be examined in this chapter as well as a closer look at the lives, working conditions, and the highly specialized knowledge coffee producers have acquired, through workshops set up by ANACAFÉ, that aim at improving their crops, knowledge, and know how regarding their coffee. I will also illuminate ANACAFÉ's techniques that aim at stimulating Guatemala's consumption of its own product, and to better market their product to the world in order to increase profits and overall consumption of coffee.

1. Methodology.

In the fall of 2001, I travelled to Guatemala in order to meet and observe coffee producers, their work, their coffee, their future expectations regarding coffee, as well as their own opinions concerning their positions within the international coffee market. In addition, I also discussed with them topics relevant to their hopes, aspirations and the consumers abroad for whom they produce coffee.

Preparation for the fieldwork was based on information gathered through internet

websites, such as: Equal exchange.com and ANACAFÉ.org . I additionally researched literature concerning theories of consumption and information pertaining to Guatemala's coffee industry. I chose Guatemala as the country of focus, because I was originally born there and had access to the language: Spanish; as well as some coffee producing areas of the country. Once arrived in Guatemala, I started to gather information in Guatemala city by visiting ANACAFÉ's head office in order to obtain information regarding percentage's and statistics indicating Guatemala's coffee production and exports. I travelled into the country side where coffee production is found. I mainly concentrated in the south western region of the country, Suchitepequez and Quetzaltenango, since I already had some knowledge of the area, and because I needed to commute from "home" on a day to day basis to the locations where I interviewed coffee producers. I needed to work with an everyday commuting routine because Guatemala is a country still marked by violence, thereby making it very hard to travel to far distances without risking the possibility of being robbed.

I first attempted to contact coffee producers and labourers or coffee pickers on my own, but my first attempt in the mountainside vicinity of Santo Tomas, located in the department of Suchitepequez, turned out a complete disappointment. The owner of beneficio "Bonifaz" : *Don Jaime Bonifaz*, a man of great wealth and a large-scale coffee producer himself, offered to show me his plantation the following day of my arrival to Santo Tomas since there had been some drizzling rain, he explained to me that he did not want me to get dirty. I interpreted his intentions as a way to discourage me, since he knew I had travelled two hours by bus in order to get to his benefice. *Don Jaime* also explained to me that there was no point in trying to interview his coffee pickers, whom he

believed to be “dumb” and who could not answer any questions I may have wanted to ask since they knew nothing. *Don Jaime* also stated that Indians know nothing about coffee, they only know that it needs to be picked when it is red and to leave it alone otherwise. I then contacted a regional branch of ANACAFÉ (Guatemala’s National Coffee Association), whom to my surprise was very eager “to assist you in any way we can”. It should be mentioned that ANACAFÉ is a large organization comparable only in size to a government ministry, which is the reason why I was intimidated and surprised at their willingness to offer me help. As a result of ANACAFÉ’s help, I was able to travel to four different associations each comprising of large number of small-scale coffee producers. Through a workshop set up by ANACAFÉ, where members of different cooperatives and associations can collect information regarding the care of their coffee crops, I was able to meet with two members of two different fair trade cooperatives, whom I would not have been able to meet because of their extreme rural locations.

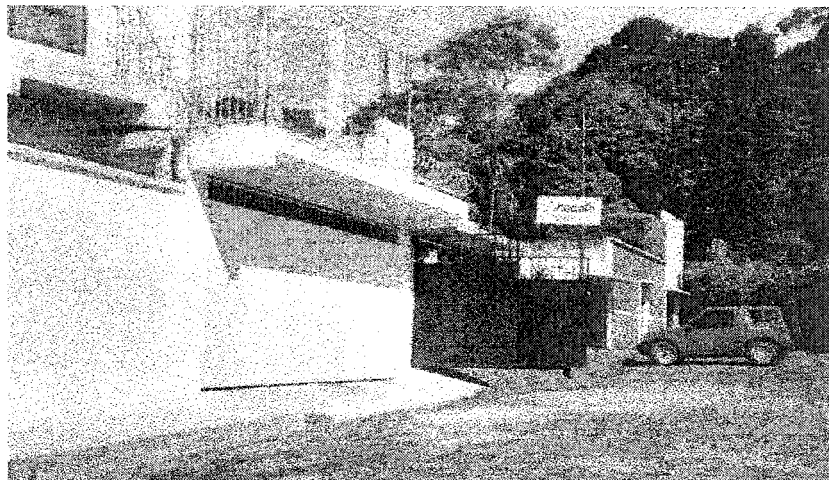


Figure 13. ANACAFÉ’s region II office, located in the city of Mazatenango in the department of Suchitepequez. Collected by: Karina Gonzalez Soto.

Through engaging in informal conversations with coffee producers at the main office of

their association or cooperative, I was able to conduct informal interviews, based on a prepared set of focussed topics of discussion, which I sometimes had to rephrase because of the interviewees' mistaken interpretation of some of the questions I asked.

Additionally, I also engaged in participant observation, revealing some of their consuming habits regarding coffee.

Although I was only able to meet with association or cooperative members, who work with ANACAFÉ, it is possible to generalize their attitudes for coffee producers who belong to other associations or cooperatives and are situated in other parts of the country. This is because the same problems that affect one association or cooperative affect the others. They confront problems that affect the overall coffee industry within Guatemala, which affect all coffee producers and not specific regions of the country. However, since I was not able to interview coffee pickers my study is only relevant to small-scale producers who belong to associations or cooperatives, who work together voluntarily with the help of ANACAFÉ. I should mention again, that ANACAFÉ offers help to those coffee producers who ask for their assistance. No coffee producer is in any way required to seek help from ANACAFÉ, since they never charge a fee or provide any type of economic assistance to individual cooperatives or associations. Furthermore, ANACAFÉ only provides economic assistance to coffee producers generally, through different plans submitted to the Guatemalan government in order to improve the coffee production within the Guatemalan coffee industry, thereby acting only as an intermediary.

2. Cooperatives and Associations

Most of Guatemala's coffee producers have historically felt vulnerable to the up's and down's of the international market, especially with the addition of many trade zones due to globalizing economies which affect the coffee industry, and ultimately the lives and livelihoods of coffee producers as well. For this particular reason, many of Guatemala's coffee producers have decided to unite themselves, at least within the last twenty years, and form associations or cooperatives in which they feel less vulnerable to the international market and to the economy of their country by working together. It should be mentioned at this point that some cooperatives and associations work with fair trade organizations (FTO), while others do not. And while the word "cooperative" may infer a connection to a fair-trade organization, it should not. The word "cooperative" infers the way the collective is run, through the implementation of fees, and the actual unity is symbolized through the word itself, with "cooperative" signifying a stronger relationship between the members than within an "association" (I will highlight this difference by using the abbreviation FTO, in order to refer to fair-trade organization cooperatives or FTO associations).

During my two-month stay in Guatemala, I was able to visit some cooperatives and associations located in the south western part of the country.¹⁶⁴ In addition, during my attendance to one of the workshops set up by ANACAFÉ, I was able to interview a FTO cooperative member and a FTO association member from the department¹⁶⁵ of Quetzaltenango. I should mention that I would not have been able to interview the two

¹⁶⁴Solola', San Marcos, Suchitepequez.

¹⁶⁵ The word "department" refers to the geographic description of the area, similar to that of "province" or "state".

FTO members, had it not been for ANACAFÉ's workshop to which the two FTO's members attended. This is because FTO's are usually found in the eastern mountainous high altitude rural areas of Guatemala, away from city centres and hard to reach by bus. This may be because FTO's concentrate in mountainous areas, where coffee grows best and where coffee producers may feel isolated or detached even from local society, unlike other coffee producers who may live within the proximity of a major town.

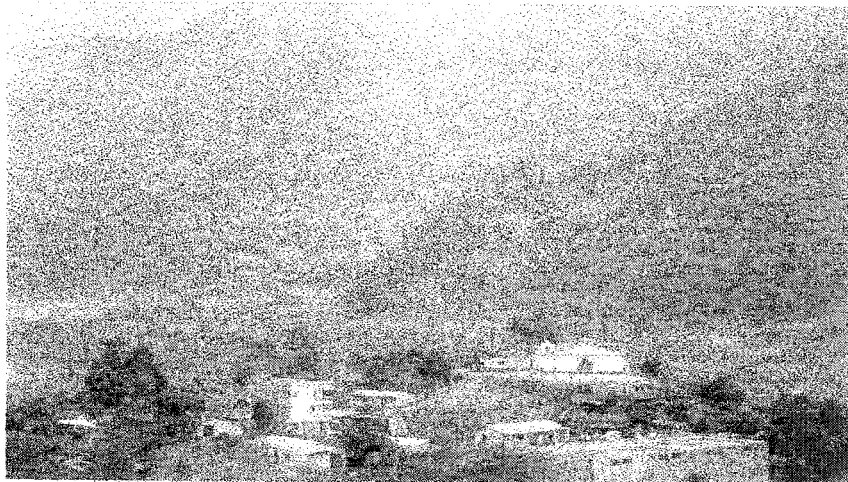


Figure14. The town of Zunil, somewhat isolated from the city Of Quetzaltenango.

Collected by: Karina Gonzalez Soto.

From the interviews it became clear that the overall difference between cooperatives and associations are minimal, and that they have very similar goals with respect to their own groups. The first difference lies in that in order to join a cooperative, coffee producers have to pay an initial fee and continue to pay other fees annually. Within an association, those who are interested in joining are required to pay an initial fee and are only required to pay other fees when necessary, meaning they are not mandatory. It is important to note that for either association or cooperative, once a member decides to

leave the group, his/her initial fee is reimbursed.

In terms of membership, most cooperatives and associations have significant numbers of members such as, within the “San Pablo” association with 75 members, and cooperative “Mayasmam Apecaforum” with 366 members. Some cooperatives and associations have also existed for quite a few numbers of years, such as; association “Nuevo Progreso” originally set up in 1964, and more recently “Mayasmam Apecaforum” since 1992. Some of these cooperatives and associations started out with the help of catholic organizations such as “Loma Linda”, originally bought by a catholic priest about 20 years ago, and was given to an association that has ran it ever since, a few years later. Others that originally started on their own, started with a different plant besides coffee, because it was more profitable at the time. This was the case for “Xojola” cooperative, established in 1987, which originally started producing cardamom and later turned to coffee, because it was deemed more profitable. Unfortunately, no date was given as to when the change to coffee was made.

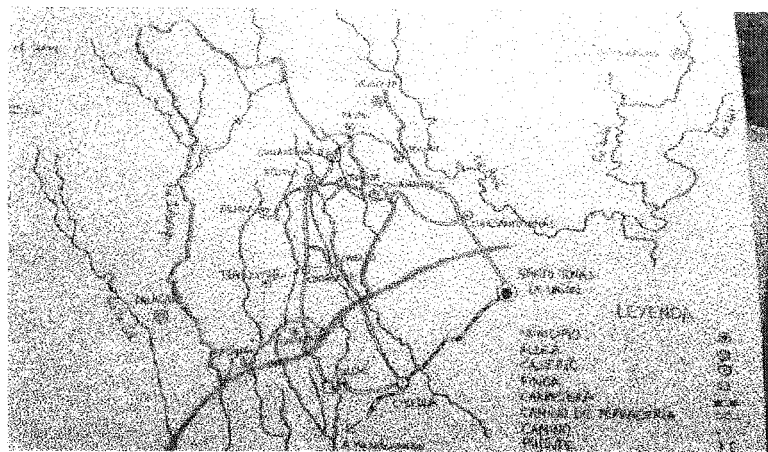


Figure 16. Map outlining the surrounding area of Xojola.

Collected by: Karina Gonzalez Soto.

In a cooperative or an association, coffee producers keep their own crops and are thus

able to obtain their own share based on the prices the cooperative or association manages to obtain. By selling greater quantities of coffee, cooperatives and associations are able to sell their coffee because they bring significant quantities of coffee to the Guatemalan coffee market, which then sells it to a coffee exporter. And although an association or cooperative may not always obtain the best price, selling greater quantities increases producers' chances of making a sale and not losing their product.

The different members I spoke to believe that their collectives have improved overall. The improvements refer to solved technical problems, such as, different methods of drying coffee, obtaining better prices, and the increase of the availability of machinery, which are again marked by technoscapes, as outlined earlier. On the other hand, other members cited more long-term problems related to corruption, and accept them as problems that are inherent to human nature. These two different positions, exemplify the different disjunctures that affect small-scale coffee production, accentuated by the disorder within technoscapes and finanscapes, in which one generates positive results, while the other generates negative results respectively. According to these members, problems of corruption, such as, stealing and favouritism, need to be addressed and dealt with immediately in order to prevent and deter them. The cooperatives and associations interviewed, also believed that the improvements within their respective organizations were due to their own decisions, varying from obtaining loans and grants from different local social organizations, to better training of their members; as in learning more natural methods of caring for coffee trees. Others cited improvements due to the increase in the demand of coffee internationally, which have presented them with bigger profits.

Most members mentioned hoping their associations or cooperatives will last forever, although due to the low prices brought about by the coffee crisis, they also expressed doubts in their minds with respect to the survival of their groups. Still, many believe that it is possible to overcome whatever problems the cooperatives or associations may face, through projects or grants from the government, such as the proposed “fideicomiso” (trusteeship) promised to ANACAFÉ, which had not come yet. Coffee producers actually find it necessary for their collectives to survive the problems they now face, and those that the future may hold for them, such as trades with other coffee producing countries that may allow for importing coffee from other countries into Guatemala. It is important to note at this point, that because some cooperatives and associations are better off than others, more structurally than economically wise, their problems are related to their own particular context, that is, some talked about lack of access to main roads, while others spoke of more troubled financial problems that affected their crops.



Figure 16. Many roads throughout Guatemala’s rural areas, are similar or much worse, than the one outlined above.

Collected by: Karina Gonzalez Soto.

In addition, the differences amongst some of the cooperatives and associations were

highlighted as the methods in which they have organized themselves in order to sell their coffee. Some have affiliated themselves with FTOs from abroad, such as Max Havelaar, while others have been able to invest more money into their collective and even roast and package their own coffee locally. Also, some have had less advantageous opportunities and feel that their cooperative lacks a sense of unity due to a failed FTO cooperative project, while others have looked for other opportunities. And, because they are located in hard-to-access rural locations surrounded by poor roads and lack of capital, few of these opportunities have worked out for them. This was the case for the cooperative “Nuevo Progreso” in San Marcos, where at one point coffee was being sold to a FTO, whose name was not provided. It was pointed out by their cooperative president that the fair-trade arrangement worked out in the beginning, but because it took time for the coffee to reach Holland, it also took time for the money to get back to the cooperative and the coffee producers. The span of time elapsed for the transaction to be finalized was too long, and it caused the cooperative members to seek financial help from local banks thereby defeating the original purpose of a FTO, in improving their livelihoods, increasing the profit from their coffee productions and avoiding high interest rates from financial institutions. Members of this cooperative were satisfied with the price they obtained from the FTO however, a waiting span of six months in order to receive their profits was something they could not afford to wait for. The president of the cooperative was also very quick to mention that: ‘in agriculture, money cannot be put on hold. Coffee was being exported every month, and the members had to wait up to six months for their profit’.¹⁶⁶ The example from “Nuevo Progreso” demonstrates the fact

¹⁶⁶ From the interview question: Do you know about fair trade? (what is it that takes place and the reasons why they benefit from it?) “....Los socios no estaban de acuerdo. Con el precio si, pero el dinero

that not all FTO's contracts work out efficiently. FTO's are beneficial, but they may take too long to bring the expected profits for coffee producers. Furthermore, the time span between planting a coffee tree to the time it produces coffee is of about four years.

Therefore, an additional six months to a year to see the profits of coffee crops is a year too long for the coffee producers to wait for within such an unstable industry.

The other cooperatives and associations I spoke with, had some idea about what the fair-trade movement is, regarding its method of production and social as well as economic support. They were aware of its high quality standards and of the fact that they could benefit from acquiring a contract with any fair-trade organization due to the high standards they need to meet in their contracts regarding quality and price when exporting coffee. One of the cooperatives and associations I spoke to, were at the time working with fair-trade organizations and had overall positive experiences, such as increased profit, improvement of quality of coffee beans and felt happier about being coffee producers and their product. The association "Mayasmam Apecaforum" located in San Marcos, is one of the collective groups working with the Max Havelaar fair-trade organization. They have so far worked with the Max Havelaar organization for the past four years and feel that they had benefited greatly from this experience. At the time of the interview, members of Mayasmam Apecaforum, were looking after their crops with their outmost care so that they could continue to roast, ground their own coffee, and export it as such through Max Havelaar, for the first time.

In addition, the "Mayasmam Apecaforum" association was also waiting on a patent pending and bar code for their coffee packages. This same association also mentioned

llegaba muy tarde. En agricultura el dinero no puede esperar. El café se exportaba cada mes, y los asociados recibían su dinero al medio año."

that their coffee is certified organic, and that they still continue to export unroasted coffee by the quintal(60kg), obtaining up to Q700 quetzales per quintal (around \$90. US), as their real profit. This is an impressive number, considering that the price being paid by local exporters in Guatemala, for 1 quintal hovered around Q300 quetzales per quintal (\$45. US) at the time.



Figure 18. A coffee label from the processed production of the “Mayasmam Apecaforom” fair-trade coffee production.

Most of the members, except for the two members affiliated with FTO’s expressed that the price they were obtaining for their coffee was not just or fair. They explained having trouble making ends meet and that when you have nothing and then have less, it makes it harder to be willing to keep growing coffee. Some even revealed their desire to plant and grow other things besides coffee, such as fruits or even investing in tree farms for wood. Their sentiments were caused by the coffee saturation found in the market due to the overproduction of Vietnam and Brazil, who were successfully selling

their coffee through a regional opening exemplified in the globalized international coffee market at the time. On the other hand, members who have affiliations with FTO's were very comfortable with the price they were obtaining for their coffee, although they explained that an ideal price would be of around Q1,000 quetzales per quintal approximately \$125 US, which would also allow them to expand their cooperatives or associations by acquiring more technology. Additionally, overall members of the cooperatives and associations are aware of the countries their coffee is exported to, which signifies the potential to export Guatemalan coffee to other countries within such interconnected globalized markets, even though for most their coffee is bought by a benefice. The countries mentioned include; the US, Holland, Belgium, Japan and Germany; reflecting the window the New Regionalism has allowed for Guatemalan coffee to enter into, reaching out of continent markets.

It should be mentioned that within Guatemala's coffee production system, cooperatives or associations do not compete for markets or against each other; however, they always try to compete against the prices being set on the international coffee market which they keep track of through radio. Cooperatives and associations do not maintain much communication with other collectives, but do keep track of the prices other cooperatives or associations obtain. They are mediated through ANACAFÉ, who keeps them informed of situations affecting the coffee market: rise in prices; different uses of technology being applied at other coffee productions: implementations of new coffee driers; different growing or processing coffee techniques; or openings of new warehouses to store coffee at; for example. It was mentioned by a member of the cooperative "Loma Linda" located in Quetzaltenango, that some other collectives visit

“Loma Linda” due to the transition they have made from regular coffee plantations to certified organic ones. Cooperatives and associations then, visit “Loma Linda” with the intentions of learning how to follow in the steps that could bring them to producing certified organic coffee some day, and with intentions of learning new methods which can be applied to their crops. Such differences amongst cooperatives and associations do not indicate one is better than the other, but rather mark differences in the ways the cooperatives or associations are run, as well as the economic power some cooperatives or associations may have over their product. This refers to whether they have access to different ways to export their coffee (roasted, packed) and the access to cooperatives or association funds that may assist them in varying the methods of export, and to the different ways in which Guatemalan coffee producers are disorderly affected by the different global cultural economy flows, which can differ in the level of intensity exemplified in one another (ethnoscapes, technoscapes, finanscapes, mediascapes and ideoscapes); such as in the case of “Mayasmam Apecaforom”.

Lack of availability of funds is a prominent and constant problem that most Guatemalan coffee producers experience, and by working together and selling larger quantities of coffee through a cooperative or association, members can increase the likelihood of sale and eventually profit. When asked, “Do you think the cooperative could be improved?”, ‘only if coffee had a better price, right now the situation is bad even though we are all working together...’ (informant # 3). Therefore, vulnerability as individual coffee producers in an ever expanding international market that seems to render industries more and more susceptible to its pressures and inequalities within the economic flows brought about by globalization, was cited and highlighted as the main

hurdle that can be overcome with membership in a cooperative or association.

Furthermore, the likelihood of acquiring more technology or knowledge by working through a collective, was another important factor mentioned as an important reason for joining a cooperative or association. Hence, the members cited joining a collective as a necessary transition needed in order to increase their profit and production, which in turn affects their daily lives, encouraging their day to day habits, traditions as coffee farmers, and survival during crises, within the context of the international coffee market.

3. Finca Buena Vista

Due to the crisis Guatemalan coffee productions are confronting on the international coffee market and the competition with the overproductions of Brazil and Vietnam, ANACAFÉ has implemented four different elements designed to improve the likelihood of sale and to attract buyers. One of the elements: diversification of the coffee plant, consists of informing coffee producers of the different techniques and methods which can be applied to coffee trees, improving the overall quality of the coffee bean. Thus, ANACAFÉ has set up different workshops, across the Guatemalan country, aiming at improving the quantity and quality of the beans produced by the Guatemalan coffee producers.

During my stay in Guatemala I was able to attend a workshop at “Finca Buena Vista” located in the town of Retalhuleu. The workshop was one of many given out by ANACAFÉ in the different regions of the country, to cooperatives or associations that may have solicited the aid of ANACAFÉ in order to improve the quality of their

crops¹⁶⁷, that is, improving the quality of their coffee beans to increase the likelihood of sale. As the workshop started the first element to be outlined by the speaker was that the key to surmounting the present coffee crisis was, focussing on the fact that: coffee producers need to improve their work and overcome traditional practices, through the implementation of different methods, therefore the outcome must be a better quality bean.

Throughout the workshop different issues concerning the care of coffee trees were the subject of discussion. They varied from the time of picking the bean, to how long it should be stored before it is processed because this affects the taste in the cup.

Such small but crucial steps of preparing the coffee bean to be exported were addressed, along with the notion that farmers must overcome traditional beliefs that may have been passed on, from previous generations, regarding coffee beans by focussing on production and efficiency, and to implement scientific knowledge instead.

In order to get this point across, ANACAFÉ has designed the workshops to illuminate the science factors that affect coffee trees and the different methods of applying this scientific knowledge onto crops, rendering this knowledge a reality, and hoping to induce farmers to rely on science rather than passed on traditions for their crops.

For example, the workshop also addressed the issue of diseases that affect coffee trees, and to learn to recognize different characteristics of each disease in order to learn to prevent diseases from attacking coffee trees. Diseases can be detected and tasted in the cup through sampling, making it a priority to prevent them.

In addition, different methods of dealing with weather changes were also addressed. In

¹⁶⁷ Attendance at these workshops is free for coffee producers, and is not mandatory. The attendance to this workshop consisted of ten members, two belonged to different cooperatives and the remaining eight belonged to different associations.

the summer, when there is too much sunlight affecting the trees, coffee producers can plant banana trees(at an earlier stage) in order to provide shade for the coffee trees. Also, different ways of dealing with too much rain, as well as the best time to pick red coffee berries, and which coffee berries should be picked, were addressed.

Furthermore, the speaker of the workshop was very empathetic by outlining that growing coffee entails hard work, and many sacrifices must be made in order to produce a higher quality bean. 'It is not God's will; it is your responsibility to produce a quality bean'.¹⁶⁸



Figure 14. Banana trees provide shade to coffee trees, in order to prevent direct sunlight, which may be harmful to the production of coffee beans.

Collected by: Karina Gonzalez Soto.

The workshop also outlined the different altitudes which Guatemalan coffee producers can be expected to grow different kinds of coffee beans: Arabica and Robusta. Most importantly, the workshop emphasized today's tendency in the market favouring Arabica coffee beans. This is advantageous to many Guatemalan coffee producers whose crops are located on highlands where Arabica coffee beans are produced, and because such coffee beans need less fertilizing and more natural conditions to grow and produce a

¹⁶⁸ Marco Barrios: "...producir café es mucho trabajo, sacrificio y responsabilidad. No es la voluntad de Dios. La responsabilidad es de ustedes para lograr una mayor calidad."

healthy bean. On the other hand, Robusta coffee beans require more care in terms of chemical care due to the inferior soil in which it can be found. Hence, Guatemala's outlook in the future concerning its coffee industry will focus on the availability of highlands and favourable weather conditions for coffee production. Guatemala's coffee producers are looking at producing a better quality bean along with a better known label, based on the Arabica bean, that of "Specialty Coffee". Consequently, the production and improvement of the overall state of coffee beans produced in Guatemala has become ANACAFÉ's main concern in order to help alleviate the consequences the present coffee crisis may bring ahead in the future. Aiming towards the increase of production of Specialty Coffee is outlined by ANACAFÉ as a significant way to take part and join the international coffee market. ANACAFÉ also outlined that through supplying basic care coffee producers can expect to obtain a greater return for their crops in terms of quality and profit. They also hope to take part in future Internet markets (auctions), which have been made possible through the different flows or processes that characterize globalization. Such technoscapes, can open the door to many international markets in search of specialty coffees, as well as European countries that hold very high standards when purchasing coffee.

Coffee that is imported into Europe may not contain more than 5 defects per every 60Kg sac. This means that traces of humidity along with any other defect, such as too much rain, prematurely picked coffee and disease, can be spotted in the bean or in the cup and therefore may not be eligible for export. As for the US, the standards for coffee exports are lower allowing up to 12 defects per sac, while for Japan only 2 defects are allowed per sac.

The Specialty Coffee American Association (SCAA) has defined specialty coffees¹⁶⁹, as coffee beans that do not possess any defects, and which have a distinctive taste in the cup. This distinctive taste is due to the many cares that are taken in each step when growing and processing coffee beans, from beginning to end. Some of the crucial steps include : looking after the coffee plant itself, the time when the coffee bean is picked, when it is depulped, dried, and roasted in its final preparation.¹⁷⁰ During the year 2001, the SCAA put together its 13th conference and exhibition in Miami Beach Florida. In this exhibition, for the first time, Guatemala became known worldwide for its “rainbow of choices” referring to the different Guatemalan coffees from the country’s different regions.¹⁷¹ In this particular event, Guatemala’s different coffee’s were sampled by experts from all over the world. Scores obtained by the judging experts ranged from 81, to 87 out of 100, signifying an excellent rating when comparing Guatemalan coffee to the best 3 finalist who obtained scores of 100, 88, and 82. Therefore, through events of this sort, Guatemalan coffee producers hope to gain popularity for their specialty coffees amongst importers worldwide. In the same manner, Guatemalan coffee producers hope to obtain a reputation for their work in producing quality beans, thus attracting the attention of importers from all over the world via Internet or through conferences of this sort.

The following table (Table ten), presents information concerning the June 6th 2001 auction via Internet, regarding Guatemala’s finest coffees and the price they were able to

¹⁶⁹ Specialty coffees refer to coffee in the state of a bean.

¹⁷⁰ ANACAFÉ , “Un Arco Iris de Opciones en Miami” *El Cafetal* , June 2001, pp.6-9. For the past twelve years, the SCAA has put together conferences in which many countries of the Americas and other parts of the world, bring their best crops to the forum bringing the knowledge of coffee to many merchants and producers from all over the world.

¹⁷¹ *Ibid.* , p. 6.

obtain. This table illustrates the advantageous position the participants held by selling their coffee through this medium. Prices of the international coffee market for April of 2001, showed the average price for 1lb of coffee was \$0.55 US and for October of the same year, the average price for 1 lb of coffee was \$0.45 US, while prices from the internet auction showed a range of \$11 US per 1 lb to \$2.01 US thereby demonstrating a significant advantage for the coffee producers who participated in the event.

Table 10.

Auction Summary			
Plantation	Lbs	Bidder	Price (USD)
Las Nubes	30	Solberg & Hansen AS	\$11.00
Filadelfia	125	Diedriech Coffee	\$4.21
Santa Clara	23	Caravan Coffee Co.	\$5.01
Los Laureles	24	Unicafe Inc.	\$3.90
El Porvenir	29	Caffe Bontain SPA	\$4.71
San Rafael Urias	96	Waturu & Co. Japan	\$3.80
La Perla	17	Solberg & Hansen AS	\$7.20
El Coyegual	19	Caravan Coffee Co.	\$3.90
El Paternal	188	Mercanta Ltd.	\$2.65
El Tempisque	25	Arab Coffee Co.	\$3.90
El Bosque	18	Hayashi Coffee Inst.	\$5.00
Danilandia	40	Mauyama	\$3.60
El Injertal	22	Coffee Tree Roasters	\$4.55
La Esperanza	85	Hayashi Coffee Inst.	\$3.50
Monte Carmelo	32	Mercanta Ltd.	\$2.01

Source: ANACAFÉ 2001.

From the table above we can see that it is much more profitable for Guatemalan coffee growers to take part in Internet auctions of this sort because it allows them to obtain a greater profit. However, not all coffee producers are able to take part in such auctions since ANACAFÉ must choose fifteen participants from all small-scale and large-scale coffee producers who work together with ANACAFÉ. In addition, choosing

participants for the internet auction was carried out by process of elimination, collecting samples of processed coffee and sending them to Guatemala city to be analyzed at ANACAFÉ's head office, thereby selecting participants from the best fifteen coffee samples collected. As mentioned before, not all coffee producers are able to take part in internet auctions, yet ANACAFÉ still needs to emphasize the importance of improving the quality of beans produced, in order to obtain a larger number of buyers in the international coffee market. ANACAFÉ is aware of the different alternatives that exist within Guatemala, in order to find a better market for small-scale coffee producers. Some alternatives include selling coffee through a cooperative or an association.

Guatemala's long colonial coffee history (as mentioned in ch.2), has led many coffee growers to form groups that can better represent them, or from which they can gain more benefits for their crops. Small scale-coffee growers have formed either cooperatives or associations which represent them as a unit, and in which they work together and are less vulnerable to the coffee industry as well. Subsequently, by working with cooperatives or associations, coffee producers can face problems collectively. This is the case for many coffee producers dealing with the coffee crisis, who come together with their cooperatives and associations, to try to find solutions or to see which solutions they can economically afford to apply to their coffee crops in times of crises.

4. Conditions of Workers.

During my stay in Guatemala, I was generally interested in learning about the significance coffee holds in the lives of coffee producers, their working conditions, and how coffee is perhaps more than an industry for coffee producers, but a part of their day to day lives and culture. Most of the members expressed that coffee is the product people from their area grow, besides banana plants which also provide shade for their crops. Others mentioned growing coffee, as being part of their heritage; the only thing they inherited from their ancestors besides it being a custom. 'Coffee is the most important product of this land, and it is my heritage, it is what my parents taught me to do' (informant #3). In addition, they mentioned always having had a market for coffee, and that coffee is a crop that needs expert knowledge. '...like any other product, it is very dangerous to venture into it, or anything else' (informant #4), since there is always a risk that it may not be profitable, due to its vulnerability to the up's and down's of the international coffee market. In addition, members explained to me that they no longer rely on other crops, such as corn, plantains or bananas for profit because it is hard to make a living based on these crops, which they still grow but only for their personal consumption.

All the members interviewed stated that coffee plays a vital role within their daily lives and their livelihood, mainly because it generates their main source of income and survival for their families as well as for Guatemala. I asked them to describe a "normal day" in their lives, and it was clear from their answers that there is no split between their conception of work and leisure. They referred to responsibilities as daily activities from

dawn to sunset, never mentioning taking time for themselves to engage in leisurely activities, such as reading or just sitting down to enjoy someone else's company. Don Faustino stated, ' I always plant, and take care of my coffee, I don't pay anyone to pick it or to look after it; I always look after my crops, even though I spend a lot of time at the cooperative, doing clerical work. But on evenings and Sundays, I'm always looking after my crops' (informant #5).

Thus, from speaking to the members of cooperatives and associations, it was clear that those Guatemalan coffee producers who have decided to join cooperatives or associations, whether affiliated to fair-trade or not, have done so with the hopes of maintaining their traditions of livelihood as coffee growers, their crops as a valuable source of income and as a way to feel less vulnerable when the markets work against them, and by allowing even more competition from traditional and new coffee producing countries. ANACAFÉ is doing all that is possible on their part in order to provide them with the necessary tools of knowledge they need in order to stay competitive.

During my visit to the some cooperatives and associations in south western Guatemala, it was almost impossible not to notice the availability of technology, which has marked most of the world through technoscapes, such as computers, and which has now reached most cooperatives or associations, even in remote rural areas of the country. Some of these technologies included; coffee driers, electricity, running water and as mentioned before, most had computers. This was impressive considering the fact that the locations of these cooperatives or associations were in rural areas, where some people did not speak any Spanish, only an Indian dialect. The members with whom I spoke were very proud of their technological accomplishments, and highlighted their lives being

positively affected by it, by rendering some tasks easier to accomplish, as well as making their productions more cost effective, leading them to continue to access more technology. This technology had been obtained through the organization of their association or cooperative, by working together and therefore illustrated the fact that working together could only benefit them and not hinder them in any way. Some of the positive effects the machines had in their lives mainly included: no longer drying coffee under the sun, or problems of lingering humidity with old dryers. The availability of electricity, at the association "La Esperanza" for example, also made computers comparable with their work environment, and allowed for easy bookkeeping and keeping records of everyone's production. This assures the coffee growers of getting their fair share of the sale, eliminating human error with the help of computers. These elements combined, improved some personal aspects in the lives of the members of the coffee cooperatives or associations, by rendering some of their tasks less difficult and by saving time. They now have new and improved coffee dryers, which allow them to not over dry their production or to sell dried coffee characterized by traces of humidity, leading to an increased risk of developing mould within the production. In addition, the coffee dryers allow for greater quantities of coffee to be dried by day, and so farmers no longer have to rely on the more conventional method of sun-drying, which did not yield consistent efficient results.

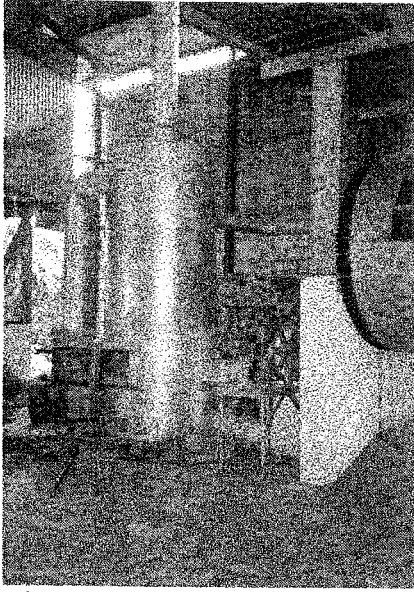


Figure 19. Coffee dryer fuel tank.

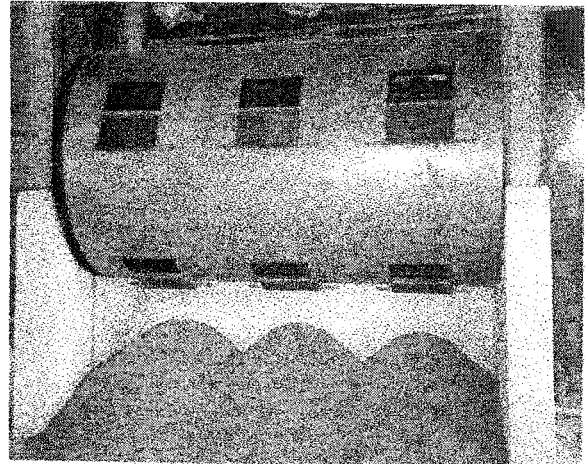


Figure 20. Coffee dryer and dried coffee beans.

Images collected by: Karina Gonzalez Soto.

Through the knowledge obtained from ANACAFÉ's workshops, coffee producers are now able to produce more coffee efficiently thus increasing their profit. This is based on techniques which help producers identify early imperfections in coffee production, as well as how to prevent diseases from attacking the plant. In addition, some collectives have been able to build new warehouses where they house their machinery, coffee or benefice, while those who have not have moved to bigger or better locations.

Most of the members were happy with their cooperatives or associations because they no longer need to ask for credit from independent benefices, thus avoiding higher interest rates offered by the banks. Bank loans are almost impossible to obtain for coffee producers due to their lack of collateral. A benefice on the other hand, usually holds a coffee producer's next crop as collateral, creating a vicious circle comparable to the peonage laws implemented by the early colonial governments of Guatemala, mentioned earlier in chapter two. Other members cite the availability of main roads and even trucks

in which they are able to transport their coffee as a benefit. ‘...there are workshops and the support of the organization (ANACAFÉ). We would never be able to access the knowledge from the workshops if we worked on our own; we first started as a small organization, and bit by bit became stronger’ (informant #1).

It was visible that some cooperatives or associations have been more positively affected by their collectiveness than others. This can be identified by their lack of machinery, or lack of organization in finding means of transportation; while one member expressed lack of unity as their bigger problem. The member from “Nuevo Progreso” expressed: ‘ There are multiple problems, many members do not envision the cooperative as a unity... there is a lot of indifference towards making it work, and members act as individuals belonging to a group rather than a cooperative’ (informant #2).

Also, in some cases, some of the members with whom I spoke were responsible for many clerical duties and more formal decisions about their cooperative or association, such tasks were assigned based on the level of education a member may have and their willingness to perform such tasks, because such tasks will take time away from their crops. Thus these members did not have much time to dedicate to their crops during the weekdays, but only on the weekends. And so, members who hold a position in running the cooperative do earn a small salary for their job. Most of these members indicated having people look after their crops and also paid coffee pickers to work on their crops. The prices they paid to their labourers or coffee pickers were stated as Q20 to Q40 Quetzals per quintal, an equivalent of \$2.50 US to \$5.00 US, for a 60 kg sac of picked coffee berries. As for those who could not afford to pay workers to look after their crops or to pick them, they mentioned working half days at the cooperative or

association and the other half at their coffee growing site, including full weekends.

The cooperative and association members cite their work as being very hard and exhausting work, and that it can be very stressful because the quality of the beans they produce, is related to the care they can provide for their crops. ‘...it is very tiring, I start to work at around 5 am, and end the day at around 8pm... my crop has access to water, electricity, but I still have to walk about 2km to get to it everyday’(informant # 5).

The care they provide is related to the profit they have obtained for the previous crop.

Also, Mother Nature can alter advantageously or disadvantageously their crops, rendering their livelihoods dependant on it. ‘There is a lot of tension and pressure during the harvest, because we want to obtain the best price that we can get for our coffee, even though we have the autonomy of deciding whether we want to sell or wait for a higher price’ (informant #2).

Many of the coffee producers explained that they cannot always have a back-up plan in case things do not work out, since the price they obtain for their coffee had been low at the time due to the before mentioned coffee crisis, not allowing them to save any of their profits at all. Things looked very different however, for the two members who had affiliations with FTO’s: Don Faustino, from “Loma Linda”, and Don Rogelio, from “Mayasmam Apecaforom”. They explained to me that the price they had obtained for their last crop was fair and just, and that they would like to obtain an even higher price if possible. Don Faustino explained: ‘They (fair-trade) pay a bit more than the year before if the price of coffee is stable; but if the price is lower than that of last year’s, then they’ll pay the same price as last year’ (informant #5). Both members also acknowledged the fact that coffee prices vary according to the quality of the coffee bean, and thus

producing lower quality beans would mean a loss of profit for them as well.

It is very important to mention that, these two members were the only members I spoke to who had a more positive outlook on the coffee industry as well as their own position within the industry, while they were also the only two members who had to walk long distances to get to their crops (about 2 km.), mentioning main roads being a far distance away. The member from “Mayasmam Apecaforom” described having to walk approximately five hours in order to reach a main town. Which is mainly due to the lack of transportation, roads and to the uneven development of technoscapes and finanscapes of the Guatemalan coffee industry brought about by these independent socio-cultural and economic processes which have occurred with globalization, and which have predominantly marked the coffee production and infrastructure in Guatemala.

Even when asked; if they were able to save any money? The two FTO members were the only ones who stated being able to save a little money, while everyone else mentioned not having enough or just enough. ‘At the moment, we are losing money. Some producers do not want to pick their coffee, because they are waiting for the prices to rise; while others, have decided to take some of their coffee out, and are replacing it with corn and beans’ (informant #1).

Even when it came to personal aspirations and hopes, the two FTO’s cooperative members had more positive attitudes than the others. Don Rogelio mentioned; ‘I would like to travel and visit other places...’ (informant #6); and Don Faustino explained, enjoying learning about anything, and valuing education very much (informant #5); while the member from “Xojola” stated: ‘...people here do not think of past times or any other thing; life here is about work, and such distractions depend on money...’

(informant #1). This is an illustration of the issue raised before regarding coffee producers' lack of sense of leisure time. The precedent statements outline the difference in their personal aspirations and hopes which may have been affected by Don Faustino and Don Rogelio's affiliations to a FTO, indicating that a direct relationship between a foreign exporter and an encouraging production and work atmosphere, leads them to possess hopes and inspirations associated with the Western world. Yet, most members stated their families, "spirituality", and their crops to be what they prize the most. I then asked: "if you could buy anything, what would it be?" Don Faustino explained that an appliance, such as a refrigerator, could help him increase his income by selling frozen and cold items, such as Popsicles, sour cream or cheese. Don Rogelio stated, wanting to buy a truck to transport coffee to a benefice, as well as a photocopier to save time in the long trips he makes to the city; and more land. Other members provided similar answers stating: 'A truck, and setting up a clinic that would be beneficial to the community' (informant #4); 'A warehouse that would provide basic grains at a reasonable price, to help people from this area' (informant #3); ' Everything is hard to obtain, and so I'd like to be able to buy everything' (informant #6). Nevertheless, members believe that the market they sell their coffee to has allowed them to improve their overall working conditions. For these members, the profit they have obtained by working together, has allow them to maintain their identity as coffee growers, and to keep their heritage as well as enabled them to save a little, and made them feel a lot less vulnerable to the international coffee market during the present coffee crisis. However, there is still one element which ANACAFÉ and coffee growers need to address at the domestic level, in order to safeguard the coffee industry and coffee culture within

Guatemala, that is: coffee consumption within Guatemala.

4.1 Local Coffee Consumption

In a coffee producing country, coffee consumption would seem to be a definite given reality. However, in Guatemala this does not seem to be the case since coffee related traditions and culture, are related to coffee production and not consumption. While attending the workshop at “Finca Buena Vista”, the speaker pointed out to the coffee growers, that coffee consumption should be promoted amongst one another. He remarked that when they attend the workshops they always drink pop and not coffee. He also asked on the spot: ‘what would you guys like to drink?’, and everyone answered ‘pop’.¹⁷² Therefore, ANACAFÉ has introduced two priorities to its mission of supporting Guatemala’s coffee industry. These priorities deal with production and local and international consumption of Guatemalan coffee.

The speaker of the workshop, went on to say that if Guatemala wants to keep coffee as a reliable source of income, it must create a significant market at home. The international coffee market makes Guatemalan coffee very vulnerable to its up’s and down’s, and so a reliable market of consumption at home could become an important source of income. ANACAFÉ is presently aiming a domestic campaign to encourage coffee consumption amongst Guatemalans. The campaign is made up of advertisings which can be spotted at bus stops, in magazines and on billboards. ANACAFÉ is therefore trying to implement an element which is also characterized as a cultural flow, as part of a globalized country, referred by Appadurai as “mediascape”. Through mediascapes, the

¹⁷² “que tienen ganas de tomar?” “una agua”.

global cultural economy has been able to present commodities including coffee in importing societies, as part of an imagined world, in which the lines between the real and fictional landscapes become blurred. This means that consuming a cup coffee in a Western society entails more than just savouring coffee, it connects the individual with a world that provides an illusion based on the qualities of coffee, such as; “the smooth creamy light tasting foam of a cappuccino”, created through advertising.

Guatemala’s own coffee consumption hovers around 400,000 quintales of coffee per year, and it is not expected to increase any time.¹⁷³ In addition, the amount of coffee being consumed by producing countries and importing ones shows a trend of low coffee consumption, which is found in Guatemala as well.

This is outlined in more detail in the following tables (Table eleven and twelve), produced by the USDA (United States’ Department of Agriculture), which do not single out any country in particular, but rather groups them in categories of “producing” and “importing”. Table eleven demonstrates the amount of coffee produced and exported by all coffee producing countries, outlining the fact that more than a third of coffee productions are exported; thereby signifying that countries abroad consume more coffee than those who produce it.

Table 11.

Worldwide Coffee Production and Exports (numbers refer to sacs of 60 kg in the thousands)					
	1989/90	1990/91	1991/92	1992/93	1993/94
Production	97 286	100 487	103 522	91 648	97 738
Exports	83 321	77 027	80 064	75 172	73 464

Source: ANACAFÉ , 1999.

¹⁷³ ANACAFÉ , *Hombres* , p. 77.

In addition, Table twelve, outlines in more detail consumption quantities for producing and importing countries. Table twelve, then supports the figures outlined in table eleven, showing once again, that the coffee culture within a producing country is about production and not consumption, since the table shows that, more than a third of all production is consumed by importing countries.

Table 12.

Worldwide Coffee Consumption (numbers refer to sacs of 60kg in the thousands)						
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
Producing Countries	22.5	22.9	22.2	23	23	24
Importing Countries	71.1	71.7	73.1	73.6	74.5	74
Total Consumption	92.6	94.6	95.3	96.6	97.5	98

Source: ANACAFÉ, 1999.

Hence, ANACAFÉ is trying to promote Guatemala's consumption of its own product, which may turn out to be a long lasting task since people do not think of the economic importance local coffee consumption may bring about for Guatemala's overall coffee industry.

As mentioned earlier, the members interviewed pointed out that coffee is an important part of their lives because it generates income for their families, and for their country. In the west, coffee is associated with many routines; waking up, staying alert, or as a social drink, that is shared in gatherings or people gather with the purpose of

consuming it. However, in Guatemala, from the interviews with the cooperative and association members, it seemed that coffee is a product they take pride in producing, and in its taste; but perhaps is not valued as a beverage.

In reference to the socio-cultural aspect of drinking coffee in Guatemalan society, most of the members mentioned having started drinking coffee at an early age (toddler to 7 years old). And, when asked : “Do you drink coffee?”, most mentioned drinking about 2 cups per day, while others mentioned not drinking much of it. They also mentioned drinking coffee in the morning, and in the afternoon, with a little milk if available and some sugar if not too expensive. Additionally, they mentioned drinking coffee when alone, in the company of others, or whenever they had a chance. They drink it at any time of the day without any restrictions. The member from “Xojola” explained: ‘Yes, I drink coffee anytime, it doesn’t matter where I am or what I’m doing’ (informant #1). Although it may seem that coffee producers do drink coffee, perhaps they and the majority of the population do not drink enough, since the previous figures indicate so. Furthermore, the different myths and beliefs surrounding the consumption of coffee in Guatemala, may also play a role in its low rate of consumption. The members I interviewed, stated their different beliefs regarding coffee having any medicinal qualities or adverse effects.

Regarding myths, some of the members interviewed believe that if coffee is drunk black, it can appease stomach pains and cramps, while others believe that it can calm down one’s nervous state, relieve headaches, and can even help out a common cold. Others expressed the confusion that surrounds coffee’s reputation, stating that it can have adverse effects on high or low blood pressure; and that it can help relieve diarrhea, though consuming too much may render someone very sick, to the point that only an

operation can provide relief. Another myth was explained by one of the members who is affiliated with a FTO stating that, while he was a seasonal worker, because his home is located on a mountain, where the weather is humid and cold, his relocation to warm weather harvests could have been hindered by drinking coffee because coffee can render people very sick when fluctuations in weather occur. Thus if ANACAFÉ is set out to increase and promote Guatemala's coffee consumption, overriding myths may turn out to be its hardest task in demystifying the population about coffee.

In addition to promoting Guatemalan coffee consumption domestically, ANACAFÉ is trying to promote protection against some of the characteristics of globalization affecting coffee consumption within Guatemala, exemplified through technoscapes, and the availability of imported coffee which may enter the country under the protection of international trades and giant companies such as Nestle, through such products as Nescafe instant coffee which is produced in El Salvador.

ANACAFÉ is therefore implementing a common symbol for all Guatemalan coffee that is exported or consumed at home. This symbol constitutes of a golden coffee bean indicating : '100% Pure Guatemalan Coffee', accompanied by the logo: 'proudly ours!'.¹⁷⁴ Therefore, through this ideoscape slogan and mediascape, characterized by the coffee bean, ANACAFÉ is targeting the local Guatemalan population to encourage them to drink more coffee. ANACAFÉ has also emphasized through ads, the importance of consuming Guatemala's national product and its number one export, thereby addressing the campaign to consumers and producers in order to illustrate how valuable both parties are in the national economy. The coffee bean logo, is a strategy through which ANACAFÉ wants to obtain the same effect as the one "Juan Valdez" obtained for

¹⁷⁴ 100% Puro Café de Guatemala. Orgullosamente Nuestro!

Colombian coffee worldwide. Juan Valdez is a fictitious character, dressed in clean white clothes that represented and identified Colombian coffee, in any country in the world, as “100% Colombian coffee”. This fictitious character became recognizable in many parts of the world. Through which consumers did not have to concern themselves with the brand of coffee they were consuming, because the Juan Valdez logo indicated their coffee was 100% Colombian coffee. However, the Juan Valdez logo did not reflect the reality of growing coffee, nor the real image of an actual coffee producer. People in Western societies perceived Juan Valdez as representative of coffee producers world wide, that is; what they actually look like: simple leisure-like non-arduous work; as well as, clean cut stress-free individuals in whose faces, the legacy and history of colonialism within their coffee industry, is not perceived.

It was, however, very interesting to notice that the cooperative and association members whom I interviewed, did not know who Juan Valdez was, except for one member who believed him to be a type of coffee crusader for the Americas. One of the reasons why the cooperative and association members may not know who Valdez is, may be because it seemed to be very difficult to buy imported coffee in Guatemala, at the time. Some of the members expressed concern about coffee from El Salvador being brought into Guatemala illegally, and others perceived the idea of importing coffee into Guatemala as ludicrous for their business. Others stated confidently, that it would be impossible to buy imported coffee in Guatemala. During several of my visits to Guatemala’s main supermarket chain, it was very difficult to identify any foreign coffees, such as Nescafe, nor did I spot any coffee carrying the Valdez logo. In addition, not all coffees on the shelves carried the bean logo that would identify them as 100% Guatemala coffee either, which reminded

me of their statement of smuggled coffee making its way into the country.

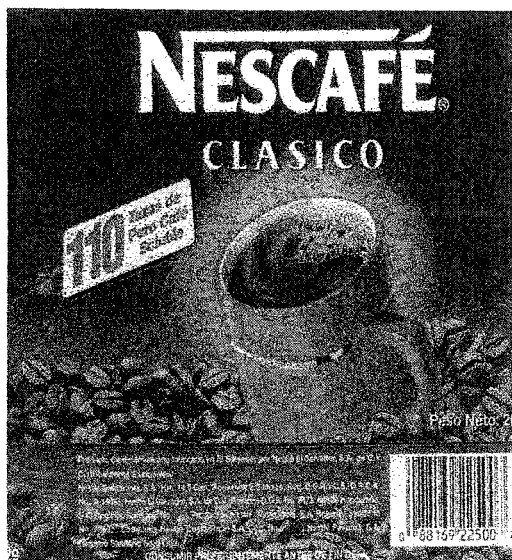


Figure 21. Nescafé instant coffee label, Indicates : 'Made in El Salvador'.



Figure 22. Incasa instant coffee label carries an “Indian” logo, identifying it as a Guatemalan product.

As for Valdez, most of the members interviewed thought Juan Valdez represented Colombia and not Guatemala. Most thought that Valdez was similar to them because he wore a hat, was human, and because like them, he looked like a peasant.

At one point, some of the members asked whether Guatemala had a symbol that

represented Guatemalan coffee? Which indicated that ANACAFÉ's strategy had not yet succeeded amongst this particular group. The other members whom I spoke with, did know that Guatemala's coffee was being represented by a coffee bean logo, and a few even added the coffee plant as an additional logo for Guatemalan coffee.

If the answers of the coffee farmers interviewed are a reflection of ANACAFÉ's strategy to promote coffee consumption domestically, it seems then that the strategy will have an effect on the population, however, it may happen at a slow pace.



Figure 23. Some of the Guatemalan coffee illustrated above carry the coffee bean logo, identifying them as a Guatemalan product, while others do not.

Collected by: Karina Gonzalez Soto.

5. Consumption Abroad.

Coffee consumption in North American Western culture, seems to be characterized by the characteristics a cup of coffee itself can provide to the consumer, through the aid of advertisements which may depict a particular realm that only a cup of coffee can provide through its taste. ANACAFÉ's strategy wishes to recreate the same mediascapes' imagined worlds, passion and illusions consumers engage in when

consuming coffee in North American and European countries, due to the globalized contexts in which coffee consumption takes place. Moreover, the members I spoke to during my stay in Guatemala were also aware of the feelings consumers abroad hold for their coffee; although most cited different explanations regarding the passion found in consuming coffee abroad.

It was interesting to note, that most coffee producers had some accurate conceptions of the far-away consumers to whom they supply coffee for. When asked : “how much do you think people pay for one cup of coffee abroad?”, they answered prices ranging from \$1.50 to \$3.50 US, which is very accurate. They also believe that people are willing to pay such prices for one cup of coffee, because they are buying quality in a cup and added that Guatemala’s coffee is the best in the world.

These members also stated that people abroad consume first class coffee beans, and add other flavours in the cup. ‘...there (abroad), they need very good tasting coffee, they only consume 1st class coffee, that’s why we export it, and we consume what’s left over...’ (informant #1). They also believe that consumers abroad drink black coffee, add no sugar, and are able to buy ground coffee in sealed packages or canned. ‘...most drink very dark coffee so that they can taste its natural flavour, and maybe few of them add sugar to it’ (informant #5). They also added that because people in countries abroad lead very stressful lives, they drink coffee in order to relax, and to keep calm. ‘They (far-away consumers) drink coffee because they are fascinated by it and because they are able to relax when they drink it’ (informant #4). Others stated that people abroad may also consume coffee in the winter to keep warm because of low temperatures. They also expressed that people abroad drink coffee because it is considered as something exotic,

that does not grow there, and also because they just enjoy its taste. I also asked them if they thought people abroad ever think of coffee producers? Some said that perhaps they think of the coffee producers sometimes because they buy their product. However, most said that it is very unlikely for consumers abroad to think of coffee producers, because if that was the case, the coffee market would offer better prices. 'If they thought of us, we would be in a better economic situation...' (informant #2); 'They really do not know of the sacrifice that goes into producing coffee' (informant #1); 'People never think of the small-scale producer, only on the quantities available for sale in the market and other qualities, but never about us...' (informant #4).

Members' perceptions about the lives far-away consumers live were also very accurate. They referred to far-away consumers as more educated, living stressful lives in industrial societies, with much easier access to basic necessities, and luxuries as well as education. 'They are happier people, because they have more economic resources than us in Guatemala. Here, we are always poor even if we try very hard to make things better' (informant #5). Therefore, it is interesting that coffee producers in Guatemala have such accurate conceptions of the far-away consumers who have created the greatest demand on their product, as well as the conceptions about the lives they live. It is peculiar, however, that far-away consumers do not hold accurate conceptions of those who produce one of the most traded commodities in the world, coffee. Therefore, the detachment between both producing and consuming coffee cultures will be addressed in the following chapter.

In sum, ANACAFÉ is trying to implement the attitudes of consumers abroad at home, in order to stabilize the revenue of coffee producers, especially during this time of crisis. This may prove to be a harder task, than it is believed to be, since the same cultural

context in which people consume coffee abroad, may have to be recreated within Guatemalan culture. Thus, solidifying the socio-economic aspect of growing coffee in Guatemala is a much more complicated and difficult task because it addresses looking at coffee as a locally produced commodity that not only involves specialized knowledge about growing coffee, but also addresses the reality of the need to consume coffee in order to promote its own industry at home, as well as the full integration of the disjunctured cultural flows (ethnoscapes, technoscapes, finanscapes, mediascapes and ideoscapes) which have so far had an uneven impact in Guatemala's coffee industry. However, the ideas that have promoted the consumption of coffee in other countries may not be applicable to Guatemalan society, which will be outlined in the next chapter. Still, taking pride in Guatemala's hard laboured coffee industry may be the only alternative from which domestic consumption may be promoted.

Conclusion.

Guatemalan coffee producers face an uphill battle to save their livelihood, through continuing to improve their working conditions by obtaining better prices for their harvest and by re-conceptualizing their coffee consuming culture in order to produce a significant market at the local level. While some of these tasks may be possible with the help of FTO's and ANACAFÉ, others may not, since Guatemalan coffee producers view coffee as an important income and livelihood generator, and not so much as key element of their consuming culture. This may also be due to the fact that Guatemalan coffee production is unevenly affected by the disjunctured flows that characterize globalization which are ever more accentuated in the production of coffee as a commodity.

FROM PRODUCTION TO CONSUMPTION

Guatemala's coffee industry is marked by different economic events, post-colonial traits, and land policies that have affected its coffee production throughout history. Moreover, transactions of trade and exchange within the international coffee market occurring through regional openings brought about by globalization and the New Regionalism, have increased the competition amongst coffee producing countries within the international market, exemplified by Vietnam's over production of coffee.

In the previous chapter, Guatemala's cultural meaning of coffee was highlighted as closely related with local home based production of coffee, thereby affecting local perception and use-value of coffee as a product. In addition, the pressures of the global cultural economy and the different disjunctured flows that characterize it, have more than ever accentuated the disconnection between consumers' and producers' perception of each other in the coffee industry, leading them to become detached from each other. In this chapter, I will attempt to show the cultural disparity in which consumers perceive, receive and consume coffee as a use-value commodity beverage in an importing society such as Montreal, as well as the different implications of the disconnection between a coffee producing society and North American Western coffee consuming societies; an occurrence that we find more and more within the world of commodities overall.

1. Consumer Culture.

In order to look closely at the disconnection and shift in meaning between coffee producers and coffee consumers abroad, consumer culture needs to be examined in order to understand what it means. Consumer Culture refers to the culture of consumption largely apparent in globalized first world nations. It defines the practice of the modern world based on the central values and practices of choice, individualism, capitalism and market relations, which define western modernity.¹⁷⁴

Consumer culture marks out a system in which consumption is dominated by the consumption of commodities largely understood to be carried out through free personal choice in the sphere of everyday life.¹⁷⁵ Don Slater (1997) points out that modern consumption is mediated by market relations and takes the form of commodity consumption, meaning we consume goods, services and experiences which have been produced exclusively to be sold on the market to for profit, therefore consumer culture is capitalist culture.¹⁷⁶ There is more than capitalism involved in a transaction or when consuming a particular product; there is the idea of selling a product marketed to specific ways of consumption which might be sold to any individual anywhere in the world, thereby presuming an impersonal and generalizable relation of exchange as the basis for the arbitration of consumption.¹⁷⁷ This is illustrated by ANACAFÉ's attempt to increase Guatemala's production of Arabica beans, aiming to increase and obtain a more significant number of this sort of consumers within the international market.

¹⁷⁴ Don Slater, Consumer Culture & Modernity, (Cambridge, 1997), p. 8.

¹⁷⁵ *Ibid.*

¹⁷⁶ *Ibid.*, p. 25-26.

¹⁷⁷ *Ibid.*, p. 26.

Generally, market relations are anonymous and universal in that the consumer is not a known customer but an anonymous subject who is constructed as an object. In addition, if the cultural meaning of the consumer good is not immediately provided by the relations in which the consumer good is produced and exchanged, as is the case for coffee, this too must be produced and distributed in an impersonal and generalized manner through design and advertising of the product.¹⁷⁸

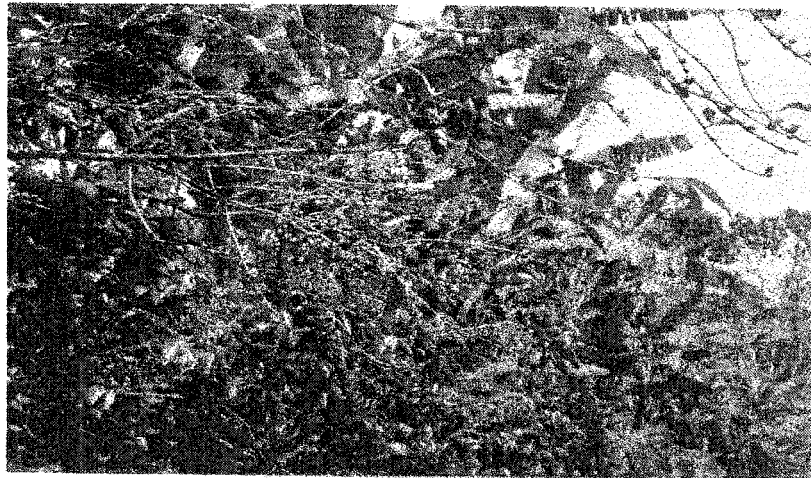


Figure 24. Coffee in its natural state.
Collected by: Karina Gonzalez Soto.

Anyone might view a transaction simply as the purchase of a utility-enhancing commodity such as a pound of hazelnut coffee beans, while in reality many different social interactions, intangibles and symbolic aspects are involved. In the case of coffee these may comprise for example, preference in taste: identification of one's self as a coffee connoisseur ; place of purchase: indicating an individual's level of spending; or choosing to buy a particular brand: due to awareness of the coffee product itself. The market is a social institution and not just an enabling mechanism and as a result, a full range of human behaviour is to be found there and potentially to have a

¹⁷⁸ Ibid.

causative impact on consumption.¹⁷⁹ Slater (1997) mentions that the potential for any thing, activity or experience to be commodified or to be replaced by a commodity: “...perpetually places the intimate world of the everyday into the impersonal world of the market and its values”.¹⁸⁰ This means that even the most personal satisfactions or choices such as a cup of coffee can become commodified, with its meaning represented by attributes that may be assigned to it, based on the fact that coffee is consumed without any particular idea of the producer. This is exemplified by the fact that the coffee producers I spoke to, stated different reasons as to why people consume coffee abroad.

Access to commodities in Western societies, are made feasible through access to money and access to particular commodities are based on how much money a consumer may have, meaning some commodities may carry social economic values, thereby eliminating the number of people who may have access to them through the concept of conspicuous consumption.¹⁸¹ This is illustrated by someone who purchases a cup of coffee at McDonald’s or at Starbuck’s highlighting their leisured class, or by showing off their privileged position while purchasing a cup of coffee at the latter location. Like in the classic example of Adam Smith’s paradox over diamonds and water in which diamonds have so little use-value and are expensive, while water is significantly valuable to life and is cheap; it is interesting to note that Smith’s paradox is similar to the what the meaning of coffee is according to price, based on a cultural context and the lifestyle it can provide.¹⁸² And so, just like water has a higher use-value content than a diamond, coffee’s affordable characterized price renders it available to almost everyone.

¹⁷⁹ Fine and Leopold , The World , p. 56.

¹⁸⁰ Slater , Consumer Culture , p. 27.

¹⁸¹ Thorston Veblen , Theory of the Leisure Class. (New York , 1899)

¹⁸² Fine, The World , p. 29

In commodity exchange, there is always an exchange of use-value against money, even though money itself is a use-value with many aspects; it contains a specific use-value and so money must always be present in some form on one or the other sides of the exchange.¹⁸³ Hence, commodity exchange is marked by the use of money as an intermediary by the parties involved. Tim Dant (1999) points out that some of the ways in which consumption choices are made are based on social customs and practices. Goods or commodities are chosen as gifts to confirm a relation, or for ritual practices, to name a few. These types of goods provide more or less, a fixed and visible system of meaning by which culture is realized through a series of time, place, social contexts, inclusion and exclusion.¹⁸⁴ Thus, exchanging value through the exchange of commodities is social and cultural, whether it is between buyer and seller or receiver and giver, in that both parties find a point of agreement where an exchange is made. Commodities then have social lives and meanings and they can gain and lose value as well, they are relevant to their cultural context and it is their relationship with people that establish their commodity value at any point in time. “The object... is a vehicle through which social value is expressed as a trace of the people, occasions and cultural contexts that inscribed value in the object.”¹⁸⁵ Therefore, consumption can be considered cultural because the meanings involved are shared meanings, such as individual preferences, which are themselves formed within cultures.

Therefore, consumers hold commodities to be objects that have use-value or exchange-value, with subjective ascribed meanings determined by their position in a self-referential system of signs and meaning constituted by culture. Consumption then,

¹⁸³ Ibid.

¹⁸⁴ Tim Dant , Material Culture in the Social World , (Buckingham , 1999), p. 23.

¹⁸⁵ Ibid., p. 24.

should not be understood as the consumption of use-values but also as the consumption of meanings.¹⁸⁶

1.1 The meaning of Commodities.

In consumer culture, commodities are understood to have a meaning that depends on the system of signs to which they belong to rather than on the objects themselves, or even on their practical use. And so, it is the commodities' order that is of importance in understanding their meaning.¹⁸⁷ This is illustrated by the fact that coffee producers in Guatemala drink coffee as a beverage, which they take pride in, without bestowing it different misleading attributes that may change this meaning which it carries in their cultural context.

Meanwhile, in North America the meaning constructed through the perception of coffee can vary, it can be more practical such as: drinking coffee to stay awake or alert; it can also contain a materialistic approach: buying expensive brands of coffee such as Godiva coffee; and it can also carry a social quality: as in the expression "going out for coffee", consisting of going out to talk and to enjoy someone's company. Therefore, as a social account of consumption, things do not have inherent meanings but rather meanings are socially constructed. And by associating things with different signs and different meanings to differentiate themselves as commodities, these meanings appear as their natural properties.¹⁸⁸ In Guatemala, coffee producers and consumers have interpreted coffee to mean the traditions involved in growing coffee in a day to day way

¹⁸⁶ Mike Featherstone, *Consumer Culture & Postmodernism*, (London, 1991), p. 85.

¹⁸⁷ Slater, *Consumer Culture*, p. 138.

¹⁸⁸ *Ibid.*, p. 138-140.

of life, as well as to refer to those who produce it, and the everyday economic hardships that accompany its production. Meanwhile, in Western societies different meanings are assigned to coffee, such as a leisurely beverage based on the cultural context of the West. In addition, Western cultures' understanding of coffee comes from its cultural context within the context of consumption based on taste and place of consumption, to name a few. Also, other factors come into place when assigning meaning to coffee, such as advertising, which exercises a key role in the meaning coffee.

A product's meaning is not solely determined by advertising, since it also depends upon the social and cultural context in which it takes place. Commodity perception is also not unique or derived from a commodity producing society, which I will later show is the case for coffee. Therefore, advertising can address the physical properties of the commodity at one extreme and its interpretation or meaning at the other, or the disconnection between the two.¹⁸⁹ Through the advertising of commodity consumption, commodities are able to fulfill promises which enable the consumer to engage in self indulgence,¹⁹⁰ thus no matter what the consumer may be looking for, it seems that through the effect of advertising a commodity can fulfill that desire. Fine and Leopold (1993) declare that the process in advertising, whereupon the mass production of images transforms cheap or imitation goods into the symbolic promise of luxury, style, abundance and even hedonism, is part of a continual consumption process of symbolization and resymbolisation, enabling self-indulgence. "...commodities masquerade as experiences and experiences are turned into commodities...to experience the image, the illusion, the spectacle. The ad as experience is part of the product".¹⁹¹

¹⁸⁹ Fine and Leopold, The World, p. 197.

¹⁹⁰ Ibid., p. 198.

¹⁹¹ Ibid.



Figure 25. Starbucks’s pamphlet advertising a “Caramel Macchiato”, outlining the qualities “inherent” in the beverage.

Hence advertising is concerned with the reconstruction of the use-value of commodities through their own use of images, giving them new or different meanings. And although consumers are aware and not easily persuaded by the attempts made by advertisements to create an imagined world, the use-value process of commodities corresponds to the experience of targeted consumers who must be convinced of the desirability of the commodity and its represented worthiness whether as water, diamond,¹⁹² for survival, or conspicuous consumption. The world of commodities presents itself as a relationship between things, although in reality it takes the form of price and not of comparison between use-values.¹⁹³ If the latter was the case, water would only be affordable for the elite few, and everyone could afford to wear diamonds. Additionally, commodity

¹⁹² Ibid. p. 194.

¹⁹³ Fine, *The World*, p. 36.

relations conceal their social origins, in that there is almost no trace of how they have come to the market and any knowledge we may have obtained about the commodity, has surely derived from sources other than the market itself.¹⁹⁴ Thus, the market's particular characteristic of concealing relations between producers and consumers of commodities is represented through commodities' similarities in the market, an element which is addressed by commodity fetishism.¹⁹⁵

2. Commodity Fetishism.

Although commodity fetishism is a theory rooted in Marxism, I have chosen to refer to different concepts of commodity fetishism to help illustrate how the meaning of coffee as a commodity changes from the country of production to the importing society, as well as the disconnection between the two worlds. Concepts of commodity fetishism mean that money provides a common measure across commodities, so that there is always a dollar value attached to them, by setting aside the underlying social relations, structures and processes, by which commodities are made available for consumption, such as in the international coffee market.¹⁹⁶ Therefore, as in the case of coffee, hard labour and cultural traditions which are the defining meaning in a producing society become lost and the meaning is shifted and changed through its mass production and advertisement to the world. Hence, in the importing society coffee appears to have intrinsic value derived from its material qualities enhanced through advertisement; such as a "smooth" and light cup of coffee. Thus commodity fetishism is useful in identifying how the social value of

¹⁹⁴ Ibid.

¹⁹⁵ Ibid.

¹⁹⁶ Ibid. p. 26.

any product may be enhanced through cultural mediations that identify and ascribe properties to them, that is cultural forms which incorporate imagined worlds and mistake them for reality when evaluating a commodity.¹⁹⁷ Such that in the case of coffee, its use-value is not identified with the labour that goes into its production, but rather with the abundance of worldwide coffee production; thereby, allowing for self-indulgence. Consequently, commodity fetishism involves stripping goods of their social meaning, leading commodities to be perceived or presented as something which will enhance their likelihood of sale through advertisements.¹⁹⁸ Therefore, advertising attempts to associate consumption with human desires through which the commodity acquires new meaning and use.¹⁹⁹ Hence people do not only buy a commodity, but social respect, beauty, health, success, power, and ultimately a lifestyle. This is the case for individuals who may choose to buy a particular kind of coffee, that may claim to improve the lives of those who produce it abroad, as in the case of fair-trade coffee, leading these particular consumers to believe that they belong to a class of citizens who can make a difference in the lives of coffee producers. Thus, when buying fair-trade coffee, individuals are able to engage in conspicuous consumption by portraying an image of themselves associated with social justice in the world of coffee consumption. Advertising then, may guide consumers to consume not only the product but its meaning and what the product stands for can become more important than the actual product.²⁰⁰ Therefore, advertising can lead coffee to fit into various lifestyles or ways of consumption existing within Western societies by referring to different kinds of coffee blends, or by using foreign wishful

¹⁹⁷ Dant, *Material Culture*, pp. 41,45.

¹⁹⁸ Fine and Leopold, *The World*, p. 196.

¹⁹⁹ *Ibid.*

²⁰⁰ *Ibid.*, pp. 196-197.

names, to mark a difference between them, based on the additives and their appearance, covering up the fact that they are all essentially coffee. Fine and Leopold (1993) explain: “Products themselves are no longer sold by advertising- increasingly they are the advertising.”²⁰¹ In addition, the nature of advertising shifts our attention away from the commodity’s hard reality of production, leaving the emphasis to rest on interpreting the created image of the product and focusing on the individual as a consumer, demonstrating the disconnection of advertising with the original realm of production. However, consumer culture is not a homogenous culture, but rather a heterogeneous culture aware of the lifestyle that is being exemplified through ads to the consumers, who may choose to accept or not, the different meanings it may want to bestow on coffee as a commodity. These meanings rarely project images of paid work within advertising because they may create undesirable associations, and because paid work and consumption are continually separated in capitalist societies.²⁰² In the case of coffee as a commodity, this is illustrated by the labels that we find on coffee canisters at local supermarkets featuring mountainsides, wild flowers and Amazon-like environments, which do not depict the original meaning of coffee in a producing society: that of hard economic labour entailed in growing and picking coffee. And since advertising is capable of accomplishing such projections in various specific cultural contexts, in societies like Montreal, people not only buy a commodity when buying coffee, but perhaps beauty, wealth and power, to name a few.

²⁰¹ *Ibid.* , p. 197.

²⁰² *Ibid.* , pp. 198-199.



Figure 26. A coffee producer engaged in the drying process of coffee.
Collected by: Karina Gonzalez Soto.

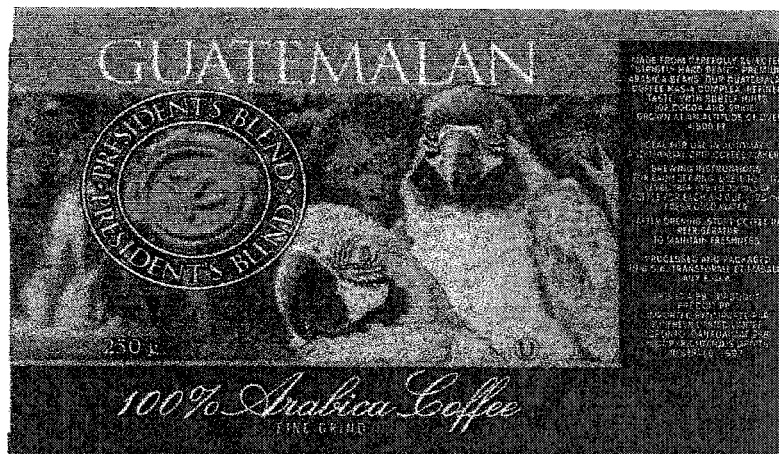


Figure 27. A "President's Choice" Guatemalan coffee label, depicting a different coffee producing world than the original.

However, this is not to say that coffee has ever carried any other meanings than the illusive meanings it connotes in importing societies, but rather the meaning of coffee could be closer to its meaning in producing societies, so that it may provide more social and conscious merit to the labour of coffee producers which may lead consumers to consume coffee in a more conscious manner. Knowledge of production could be

increased in Western consuming societies, such as with fair-trade coffee, as well as knowledge of Western consumption in coffee producing countries, to try to counter the misleading images of production and the meanings advertising attempts to bestow on coffee. Therefore, commodity fetishism helps to illustrate consumer culture's awareness of the workings of advertisements and of fetishized productions, in that they are able to recognize the process of bestowing different meanings and lifestyles advertising attempts to create, while disconnecting the worlds of production and consumption. And although most consumers do not accept these lifestyles or imagined worlds as real, advertising constantly keeps trying to project them to consumers, in order to increase or maintain coffee consumption and the detachment of the societies involved.

On the other hand, in Guatemala, ANACAFÉ is trying to increase local coffee consumption without dissociating the worlds of coffee production and consumption from one another. Therefore, advertising has come up with different imagined worlds and or mediascapes, than those in western societies in order to encourage and promote Guatemalan coffee consumption. This is because in Western societies through cultural flows (ethnoscapes, technoscapes, mediascapes, ideoscapes), a disconnection is created by transnational production which masks transnational earning flows and global management, masking the context of coffee production.

Commodities circulate independently of the labour that produced them, and they appear to have value in relation to each other or through money. Through this common perception consumer culture continues to create different lifestyles or support the existing ones, and different ways of consumption, as well as to replicate the separation which constitutes the world of commodities from their production and the deceptive form the

commodity undertakes.²⁰³ This is exemplified by the fact that different types of coffee available to consumers in Western societies are marked by differences in their prices, with their packaging and advertising positioning them in different contexts of consumption. Because of the cultural characteristics that affect coffee as a commodity, it is important to point out that the disconnection between coffee producing and consuming societies, continues to grow through the uneven flows that characterize globalization. Therefore, it is important to become aware of the cultural reality of coffee production, in order to become aware of the exploitation that characterizes the coffee industry between the North and South markets. Additionally, such an improvement in Western perception of coffee production may lead to an overall improvement in the working and living conditions of those who produce the world's second largest traded commodity.

2.1 Advertising and the Imagined World of Coffee.

It is important to mention that at the moment of exchange, coffee as a commodity holds a promise of certain satisfactions or imagined worlds that are yet to be experienced and sold not just through its appearance but through ads, which may help to associate it with different lifestyles and ways of consumption.²⁰⁴

Through mediascapes or advertisings, the world of commodities and the world of news become profoundly mixed. To many audiences throughout the world the lines between the realistic and the fictional landscapes become blurred and so the further away these audiences are from the direct experiences of the reality of a commodity's production, the

²⁰³ Slater, *Consumer Culture*, pp. 111,112.

²⁰⁴ *Ibid.*, p. 113.

more likely they are to construct imagined worlds.²⁰⁵ This is because commodities travel but not their meanings, and it is a characteristic about their cultural meaning that changes. Thus the changing characteristic in the meaning of coffee is referred to by Appadurai as a cultural disjuncture, itself a characteristic of globalization. Ads create a larger disparity between the worlds of production and consumption, by having a commodity fit into a consumer's lifestyle straight from its world of production, with no reference to that world, thereby accentuating or creating an even larger disparity or disjuncture in its meaning. Hence, the capability for mega-chain coffee shops such as Starbucks and Second Cup to produce an imagined world of coffee in which consumption is the focal point in the cultural meaning of coffee. Such imagined worlds and lifestyles are constituted of different items promoted as much as coffee itself, such as coffee mugs, coffee pots, coffee canisters, and a wide variety of coffees from around the world displayed in order to attract consumers so that these items operate as stand-ins for real-life travel and experiences of coffee from around the world thereby producing and bestowing a lifestyle of coffee connoisseur.²⁰⁶

Within advertising, ads aim at portraying image-centered descriptive accounts of strips of reality, and what they offer to those who experience and understand them is a series of elements out of which imagined lives can be formed, their own as well as those of others living in other places.²⁰⁷ Such was the basis for the successful North American "Juan Valdez" advertising campaign, depicting coffee producers as care-free producers of coffee. On the other hand, in Western cultures, objects have functional qualities and through advertising what takes place is not simply an imagined world, but rather a

²⁰⁵ Featherstone, *Global Culture*, p. 299.

²⁰⁶ Hickings, "Hot Time in the City", p. 55.

²⁰⁷ Featherstone, *Global Culture*, p. 299.

product trying to construct a lifestyle. Depictions of favourable lifestyles and attitudes are targeted through advertising rather than the commodities themselves²⁰⁸ in order to redirect the consumer's attention away from the realm of production, as in the case of coffee. In addition, the flexibility of the meaning of commodities in consumption is tied to the changing physical content of the commodities themselves, such that as production processes change, so does the perception of the meaning of the product.²⁰⁹ This can be illustrated by two different individuals who choose to buy coffee in two different forms: instant at the supermarket and whole beans at a coffee house. The individual who buys instant coffee at the local supermarket may be seen as someone who is not a connoisseur of coffee and enjoys a simple cup due to the lack of variety when compared to a coffee shop; while the individual who buys coffee beans at a coffee shop may be seen as a coffee aficionado, a connoisseur, and someone who enjoys the value of a great cup of coffee. This distinction may be made about two individuals who buy coffee in two different forms, while the origins of their coffee may be from the same importing company, same roaster, producer and even the same crop; with the only difference being that coffee as a product has to be prepared accordingly for the different markets that consume it. Thus the flexibility of the meaning of commodities derives from the changing interpretation of the given physical attributes of a commodity, and from the unchanging interpretation of potentially changing practices; such as drinking a cup of coffee.²¹⁰ Therefore, we can see that there is a dialectic in the meaning of commodities which is irrespective of the producers' autonomy. The dialectic or negation between the

²⁰⁸ Fine and Leopold, The World, p.199.

²⁰⁹ Fine and Leopold, The World, p. 24.

²¹⁰ Ibid.

material physical qualities of a commodity and the attached meaning of commodities will vary within different cultural contexts, to ensure the sale of the commodity through the expansion of the imagined world and getting away with the fantasy. Thus the constant change in the meaning of coffee is not just simple commercial distortion of a commodities' practical use, but rather a reflection of the dialectic process surrounding the reconstructed and imagined properties of coffee,²¹¹ such as with instant, whole bean, specialty, and gourmet coffees. Change in meaning is rooted more deeply than as a form of deceit at the point of sale and purchase, and is made up of cultural as well as material activities that influence the properties of coffee as an item for consumption.²¹² For example, during my stay in Guatemala, I was not able to spot many coffee shops, much less mega-chain coffee shops such as Second Cup, suggesting the cultural context in which coffee is drunk in Guatemala is not very commercial.

How then, does an individual experience the meaning of coffee in a Western cultural context when buying a cup of coffee at a local Starbucks or Second Cup, and what does it mean?

Through the imagined world provided by advertising, consumer culture can direct individuals through the highly negotiable unstable structures of the meaning of commodities through which they can meet consumers needs as well as aid in defining the self.²¹³ This is made possible by ads that attach certain qualities to coffee, for example, in order to connect particular segments of society with either a particular flavour or lifestyle attached to coffee. Slater (1997) refers to this process as “pluralization”, where within society instead of a secure order of social values and

²¹¹ Fine , The World , pp.89-91.

²¹² Ibid. , p.93.

²¹³ Slater , Consumer Culture, p. 83.

positions, there is a variety of values, roles, symbolic resources and social encounters in which an individual's social identity must be produced and maintained. This may lead to consumers' identities emerging from choice where individuals must reconstruct, maintain, negotiate and display who they are using a variety of material and symbolic resources such as within conspicuous consumption. Therefore, through the process of "pluralization" consumers may seek their self identity from actions, experiences and objects, seen as necessary to maintain their identities and for their meaningful or desirable characteristics which they might bestow upon them.²¹⁴ For example, coffee is used to confirm the lifestyle that consumers chose to display depending on what their taste is, regular house blend or cappuccino, as well as their economic power, which can be illustrated on the place they chose to buy coffee from. Therefore, the overt connection between self-identification and consumption is an appropriation of the relationship between the self and the world of commodities in everyday life, in which consumption becomes a strategy for the maintenance of selfhood and identity.²¹⁵ In some sense then, the commodities people consume express their identity, values, tastes, social consciousness, and so on; leading those identities to be best understood through the image of consumption, hence the saying "you are what you eat" can be an accurate expression of consumption as a social act.²¹⁶

Lifestyles are routinised practices, the routines incorporated into habits of dress, eating, modes of acting and favoured milieus for encountering others; but the routines followed are reflexively open to change in the light of the mobile nature of self-identity. Each of the small decisions a person makes everyday... contributes to such routines. All such choices (as well

²¹⁴ Ibid. , pp. 83-85.

²¹⁵ Featherstone , Global Culture, pp. 312,313.

²¹⁶ Ibid. , p. 314.

as larger and more consequential ones) are decisions not only about how to act but who to be.²¹⁷

Therefore, consumers tend to identify with what they consume and their social experiences can be reduced to isolated events of consumption which when fetishized, seem to come from nowhere and are experienced as items without depth or historicity.²¹⁸ If we think of individuals who walk into the local Starbucks and order a cappuccino, at that precise moment they can come to identify with the particular cup of coffee they consume because it defines them, their taste and preference which they have chosen within the cultural context that surrounds them. In addition, that cup of coffee can define them within a variety of coffee connoisseurs, in that they specifically know what they want with regards to taste in the hierarchy of the wide variety of coffees available. Also, that cup of coffee carries an economic symbol attached, since it will probably cost somewhere around \$2 or \$3 dollars, separating these consumers from those who can only buy coffee from McDonald's, which is relatively cheaper than a specialty coffee house. Furthermore, at the moment of consuming that cup of coffee, individuals engage into a distorted act of consumption, since they are not conscious of where the product came from, or the labour that goes into producing it, but rather the different meanings that cup of coffee can provide. Such different meanings may comprise, the smooth, warm and rich taste of cream mixed with strong and well defined taste of coffee, categorized as its defining meaning at the moment of consumption, which serves as a dialectic process that negates the actual meaning of coffee itself as a traded commodity. From this process various ways of consumption appear, based on the capacity to buy

²¹⁷ Slater, *Consumer Culture*, p. 87.

²¹⁸ *Ibid.*, p. 114.

goods, which have become a mere condition for the making of profit.²¹⁹ Other multiple ways of consumption which may not be involved in self-indulgence may comprise for example, multiple meanings based on essential needs or indicate a sense of responsibility towards the world of commodities such as with fair-trade coffee, the environment, and boycotting particular brands known for their history in labour exploitation as well. Slater points out that ways of consumption that may lead to over indulgence, represent a profound brutalisation and indignity of the person, however affluent they may be, because this way of consumption marks a closure for their capacity to interpret the meaning of a commodity for human development, that which the commodity was originally intended to be without any deceptive meanings attached to it.²²⁰ Slater also adds that consumers who may be oblivious to the producing world of commodities can be reified in consumer culture because market research is able to find out what their preferences are targeting them through advertising. Thus, consumption can be directed towards the shown preference and : “domination is transfigured into administration.”²²¹, which is illustrated by the many Starbuck’s franchises found in North America. It is particularly important to acknowledge that commodities do not arrive through the market as blank sheets after which culture can create any symbolic use-values and attach them. The process by which commodities are produced and provided are themselves cultural and do not reflect the cultures of work which have produced and designed them in importing societies²²², such as in the case of coffee. But how do commodities become subjected to an importing society’s cultural identification? The answer to this question

²¹⁹ Ibid. , p.115.

²²⁰ Ibid.

²²¹ Ibid. , p. 118.

²²² Fine , The World, p. 78.

lies in the fact that commodities travel much further than their own borders and those of their neighbouring countries of production, thereby separating themselves from their producing culture, so much that in the new culture they appear as raw objects without any traceability, and thus become subjected to the interpretations of the receiving culture, a process that is not recent but accentuated by globalization.

3. Local Culture.

As mentioned in chapter one, the process of travelling commodities is part of globalization, where nothing is tied to any place or period. Additionally, within globalization commodities do not contain a specific context and their components are consequently drawn from everywhere and nowhere, rendering them culturally memoryless.²²³ Hence, Guatemalan coffee producers' interpretations of far-away consumers as: oblivious to the process involved in growing their favourite beverage. Also, globalization is at times perceived as a singular place with its own processes and forms of integration²²⁴ affected by the different disjunctured cultural flows (ethnoscapes, technoscapes, finanscapes, mediascapes, ideoscapes) that in turn affect the global economy. Thus, different concepts apply to everywhere and places are no longer separated by distance but by time, such that the world seems like one unit and one of the main concerns becomes "how fast can it get there?" since technoscapes have made rapid flows of technology available in most countries in the world. This is also illustrated by Barber (1995) who reminds us that in a globalized world at times, we no longer find

²²³ Featherstone , Global Culture, pp. 177-179.

²²⁴ Ibid. , p. 5.

foreign countries foreign, due to the “McWorld” effect in which customers are no longer citizens of nations, rather they belong to the universal tribe of consumers who at times define their needs and wants, as ever-present by nature or by the influence of advertising.²²⁵



Figure 28. A McDonald's restaurant located In the city of Mazatenango, representing the “McWorld” effect, as well as globalization.
Collected by: Karina Gonzalez Soto.

But globalization also includes the notion of micro-marketing, that is the tailoring and advertising of goods and services on a global or nearly global basis to increasingly differentiated local and particular markets also known as glocalization.²²⁶

Glocalization is part of the process of the central dynamic of globalization in which ads target different markets, niches, and varieties producing diversity in the world of commodities.²²⁷ In Guatemala, this is exemplified by ANACAFÉ's ad campaign to

²²⁵ Benjamin Barber , *Jihad Vs. McWorld*, (Toronto , 1995), p.23.

²²⁶ Mike Featherstone, Scott Lash, and Roland Robertson, (eds.) , *Global Modernities* , (London , 1995), p. 28.

²²⁷ *Ibid.* , p. 29.

increase local coffee consumption, which focuses on the context for consumption rather than coffee itself. Students and couples are portrayed in ads studying, talking and drinking coffee to demonstrate that coffee can be consumed and enjoyed in different contexts, while at the same time express pride towards their national product.



Figure 29. One of ANACAFÉ's advertising encouraging local coffee consumption, also depicting the coffee bean logo and the slogan: "Proudly Ours!".

In : El Cafetal: La Revista del Caficultor. July 2001.

ANACAFÉ is also attempting to target a specified segment of Western consumers by further specializing Guatemala's production of Arabica coffee. On the other hand, when examining coffee consumption in Western societies, heterogeneity of consumers is present through the availability of a wide variety of different coffee blends that exist within the market ranging from a strong Kenyan blend, to Colombian decaf, to a full bodied Guatemalan Antigua blend; to name a few. This diversity of consumption and consumers illustrates the fact that within globalization homogeneity and heterogeneity arise at the same time within the context of globalization due to the disjunctured cultural

flows that affect it. This heterogeneity found in consumers and consumption opposes advertisements' attempts to redirect the different ways of consumption that exist, into a category easily persuaded into believing the different meanings and lifestyles attached to coffee through ads. This is illustrated by the fact that in many North American cities a variety of fair-trade coffee houses are found as well as more commercially oriented coffee houses, reflective of the coffee culture landscape of the city of Montreal.

3.1 Montreal's Coffee Culture.

Within Canadian culture, the city of Montreal is well known for its trendy Café's where people gather to study, engage in conversation or to simply enjoy a cup of coffee. This has particularly been the case for many decades since Montreal is a cosmopolitan city that has been characterized by café's reflecting this characteristic. Up until the late 1980's, Montreal was commonly marked by Turkish, Portuguese, and Italian coffee shops, to name a few, that were predominant in the city during times when coffee was not consumed as it is now. Additionally, these small coffee shops provided a focal place in the community where people would meet following in traditions, drinking coffee the way they enjoyed it, very much portraying a taste of home. Additionally, at the time, large chain coffee shops consisted mainly of names such as Dunking Donuts for example. Today, however, this scene has changed with the changes brought about by globalization and coffee consumption. Montreal's Café's and coffee culture has been affected by mega-corporation coffee shop chains, such as Starbuck's or Second Cup. These corporations aim at competing with the smaller independent coffee shops that have characterized Montreal's coffee culture in the past decades. Unlike the mega-chain coffee

shops, small independent coffee shops are characterized by their individuality and singularity, and have additionally helped to build the personality of the neighbourhoods in which they are found. Some small coffee shops have survived as landmarks in particular neighbourhoods such as those located in Little Italy. These small individual shops, have attracted coffee drinkers based on their cultural significance within different communities, but also based on their reputation as “Mom and Pop” shops where consumers not only engaged in drinking coffee but also engaged in customs that tied them to the intimate world of “Mom and Pop” and of cultural traditions. However, with the arrival of mega-chain coffee shops such as Second Cup, offering a wider variety of coffee blends as well as the different meanings and lifestyles that are attached to the variety of coffees and items for sale; many of the independent coffee shops have become one more choice in a diversified landscape of coffee consumption. In addition, coffee consumption in large coffee shops has become a day to day activity, with no reference to a particular cultural practice or community, simply as part of the landscape.

This has encouraged such mega-chain coffee shops to open even more coffee shops in order to attempt to monopolize the coffee shop industry within neighbourhoods, such as in Montreal. This is demonstrated by the fact that the Second Cup mega-chain consists of twelve locations within the Montreal downtown area, with some locations situated a block apart from each other. Naomi Klein (2000) refers to this process of “uniformity”, enabled by globalization, as a loss of meaningful choices for many consumers by which the real question behind consumer culture is not : “Where do you want to go today?” reflecting the variety of choices in consumption, but “How best can I steer you into the

synergized maze of where I want you to go today?”²²⁸, reflecting the homogenized world advertising is constantly trying to portray. Furthermore, the mega-chains themselves claim that as retailers they want to be everywhere and that customers expect them to be there as well.²²⁹ However, such saturation of cloned mega-chain coffee shops can be referred as “the geography of nowhere” in which real choice is transformed into uniformity, and therefore the idea and depictions of universalism in these mega-chain coffee shops continue to promote the disconnection of both producing and consuming worlds, through the reproduction of the same different meanings of coffee at their many different locations.²³⁰

In addition to promoting homogeneity within coffee culture, mega-chain coffee shops have also introduced a hierarchy and variety of different identities to those who consume coffee in their establishments (connoisseur) and to those who do not. This is illustrated by the fact that many consumers consider themselves coffee connoisseurs because they are able to translate the fancy names given to different flavoured and coffee mixtures found in large chain shops. The definition of connoisseur may also be dependant on the place of consumption or coffee beverage consumers may chose to consume. In addition, there are coffee connoisseurs who do know about the world of production and engage in politically conscious consumption by way of fair-trade coffees. Consuming fair-trade coffee engages coffee consumers in a variety of conspicuous consumption in which socially conscious identities are formed. Fair-trade coffee shops, however, do not engage in methods that promote the disorderly characteristics that mark the world of production and consumption within the globalized world. Fair-trade coffee shops make

²²⁸ Naomi Klein , No Logo, (Toronto , 2000), p.129.

²²⁹ Michael Hickings , “Hot Time in the City” , Management Review March 1999, p. 67.

²³⁰ Klein , No Logo, p.130.

the effort not to be subjected to the disjunctured flows that characterize the global cultural economy, especially through mediascapes or different sorts of advertising, which have greatly contributed to the popularity and success of mega-chain coffee shops. In addition, buying or consuming coffee that is labelled as fair-trade coffee can signify political activism and interests in identifying with the consumption of just and fair organically grown coffee. Thus, the integration of non-mega-chain coffee shops in Montreal, have created a variety of ways in which consumers, through conspicuous consumption, are still able to identify themselves with the coffee they consume. More and more, there are variations concerning political correctness in coffee consumption, that is what to buy and what not to buy as well as disparities between coffee connoisseurs and novices, all seemingly indicating an awareness concerning the production of coffee. It should be mentioned that the term “connoisseur” involves many definitions of coffee knowledge since within the world of production, coffee producers are also considered connoisseurs of coffee beans and flavours produced.



Figure 30. A Second Cup coffee shop illustrating the “geography of nowhere”, since all Second Cup coffee shops are designed with identical decors and offer identical products to be sold.
Collected by: Karina Gonzalez Soto.

Coffee shops such as Starbuck's provide diversity through the creation of "experiences" which translate a cup of coffee being "more than a daily espresso infusion; it is about immersion in a politically correct, cultured refuge."²³¹ This statement refers to their much controversial campaigns that claim to their involvement in programs that have an impact on the lives of coffee producers, although many consumers are not easily persuaded by this statement based on the blueprint of pluralization, which Starbuck's is seemingly founded on. Accordingly, as mentioned earlier, political movements for social justice have also influenced the way in which consumers look at and buy commodities. More and more, they look for logos that indicate the fact that products have been sold at just prices for the producer, such as with fair-trade coffee. However, mega corporations have noticed this feature within the market and have tried to find ways to make claims to such social movements, while at the same time hoping to seize the opportunity to make a profit; such as Starbuck's.²³² Yet, this is a trait that neither Starbuck's or Second Cup have achieved at the moment. Still, advertising could lead fair-trade coffee to become more desirable for consumers by informing consumers about the world of production. Enterprises such as Starbuk's and Second Cup are able to take a generic product, such as coffee, and brand it so completely that it becomes a preferred spiritual or designed object, that finds a connection to an individual's soul through a cup of coffee.²³³ In other words, coffee is a double branded good, and the market uses advertising in order to obscure its production and not to highlight it.²³⁴ Also, at no point, has the double life of coffee ever been more conflicted since the market remains deeply divided between producers and

²³¹ Klein , *No Logo*, p. 112.

²³² *Ibid.*, p. 113.

²³³ *Ibid.* , p. 138.

²³⁴ *Ibid.* , p. 346.

consumers, and the enormous profits made by the enterprises, are founded upon these two worlds remaining as separate from each other as possible, with the only catch for the coffee market to run smoothly being that coffee workers must know little of the marketed lives of the product they produce and consumers must remain sheltered from the production lives of the brands they buy.²³⁵

At the moment, the disparity between the worlds of production and consumption is active and enhanced by advertising. However, if we look at Guatemala and Montreal as examples, there exists the possibility of having the disparity or detachment in the cultural meaning of coffee to be reduced through organizations such as fair-trade and ANACAFÉ, by keeping consumers and producers aware of the worlds of consumption and production respectively. In addition, it is possible to think of a different and more direct way of engaging in trade within the international market with the help of representative organizations such as fair-trade and ANACAFÉ (through cooperatives and associations), in which increased communication between producers and consumers would perhaps reduce the existing gap. Engaging in such trade could increase producers' awareness of the world of consumption abroad, as well specialize their coffee production even more by learning more about targeted coffee consumers. In addition, fair-trade organizations can benefit both production and consumption by making both worlds aware of each other's reality, in cities like Montreal, through widely available fair-trade coffee and information, thereby attempting to bridge the gap between both sides, which could be enhanced through advertising's portrayal of production in order to promote consumption. However, such role places too much responsibility and emphasis on the power of ads when ultimately it is up to consumers to choose the products they want to

²³⁵ Ibid. , pp. 346,347.

consume. Thus, Western consumer culture is not informed about the reality of coffee production and fair-trade seems to be a possible way of bridging the gap on both sides. However, this is not to suggest that there can exist a utopia of production and consumption, but rather there exists a series of flows participating in uneven developments within globalization regulated by free-trade rather than fair-trade which can produce an exchange of products, rather than an exchange of uneven developments, such as is presently the case within globalization. However, the same disjunctured cultural flows we find in globalization, that have allowed for uneven developments, have made us aware of the global circumstances affecting the coffee industry whether we think of producers or consumers. In addition, these flows have also allowed for different ways of consumption to exist as well as fair-trade movements, which inform consumers about some of the aspects of producing such coffee. However, so far fair-trade coffee only provides consumers with partial knowledge about the coffee they consume, leading many Western consumers to consume that which is advertised to them, as well as the experiences and meanings that continue to maintain the worlds of production and consumption detached from each other.

Conclusion.

Globalization means more than the easy exchange of currency, commodities, and coffee. It also involves the disparity of the meaning of coffee as a commodity between Western consuming cultures and coffee producing cultures.²³⁶ In addition, the global cultural economy has affected coffee as a commodity and the relationships that surround

²³⁶ Ibid. , pp. 347,349,363.

it, through advertising in the diversification of consumers, consumption and coffee itself, leading consumers to become critical and not easily persuaded by the meanings and lifestyles suggested by advertising in the consumption of coffee. In addition, through the effects of mediascapes, advertising engages in an attempt to conceal and distance coffee from its source of origin or production and although different fair-trade organizations have made the effort to bring together the world of production and consumption, the different disjunctured flows that characterize the global culture within the globalized world, render this effort an incomplete one allowing for advertisements to fill in the gaps and continue to detach the worlds of production and consumption from each other. And although bridging the gap between the worlds of coffee production and coffee production seems difficult to attain, fair-trade seems to be able to provide a possible solution by enhancing flows of exchange rather than flows of uneven development to both worlds of production and consumption which can be achieved within the processes of globalization.

CONCLUSION

This study set out to show and examine the socio-economic and cultural discrepancies that surround the coffee industry, through the examination of some of the different areas and components that are involved in it mainly: producers, consumers and the market.

By looking at the implications global trade has had on the coffee industry, I attempted to set the stage for the present situation of the coffee production sector in Guatemala, as well as the different ways in which coffee producers are dealing with the recent coffee crisis. In addition, by examining the different land policies Guatemalan coffee producers have been subjected to, I was able to illustrate the hardships that have accompanied these coffee producers historically. Furthermore, through the tables illustrated in chapter two, my goal was to present the potential Guatemala has and has had as a major player in the international coffee market, which the coffee producers seemed to be aware of. In addition, through the case study, I was able to provide a realistic insight into the hardships that accompany Guatemalan coffee production as well as coffee producers' modest perceptions of their role within coffee culture. I was also able to illuminate their perceptions concerning far-away consumers and the reasons why they believe far-away consumers drink coffee. This case study allowed me to further explore the disparity concerning the meaning of coffee between producers and Western consumers, since I was able to obtain a strip of reality of the cultural meaning coffee holds for Guatemalan coffee producers. During the study of the cultural meaning of coffee in a producing society, producers expressed their hopes and aspirations regarding their coffee culture characterized by hard labour, economic hardship and their constant

efforts in trying to improve their overall livelihood as coffee producers. Therefore, through the conversations with Guatemalan coffee producers, it was clear that coffee culture is a way of life, essential to their livelihood and survival, which has been passed down from their ancestors, and as some of the members mentioned; “it is the only thing we know how to do”. And although some of the members I spoke with were affiliated with fair-trade organizations, indicating higher profits for their harvests, their perception of the role they hold within coffee production and Guatemalan coffee culture was the same as those who had no ties with any foreign organization. It seems then, that coffee producers view their own coffee culture as that of “producers” only, without any other meaning attached to the beverage which they produce and export for the world.

I was also able to examine the process through which Western consumers come to perceive coffee as a preferred beverage through a combination of meaning, advertising and imagined worlds, existing through the globalization and disjunctured cultural flows. I attempted to illustrate that coffee is produced as a commodity not yet ready for consumption, and as such, it is subjected to a cultural dialectic process which allows some far-away consumers, with the help of advertising, to bestow different meanings that render coffee a symbol of conspicuous consumption, much more valuable than just a cup of coffee. In this way, the meaning importing societies assign to coffee is different than the meaning coffee carries within a producing society, that of economic hardship, arduous labour and exploitation. And although most consumers are not easily persuaded by the lifestyles and meaning advertising attempts to create through different ways of coffee consumption, evidence of successful ad campaigns are illustrated by the popularity mega-chain coffee houses continue to obtain. By illustrating the disparity that

exists in the meaning of coffee between coffee producing and consuming societies, which advertising stimulates, I attempted to show that lack of information regarding coffee production in consuming societies, can only further intensify the present economic situation coffee producers are enduring which they have dealt with historically. Additionally, awareness of the economic realities producing coffee entails, can provide more merit to the labour producing coffee requires, and can perhaps thereby benefit the overall livelihood of coffee producers, who bear the burden of producing this commodity. Awareness of coffee production can also benefit consuming societies, by stripping the experience of drinking coffee from the imagined world, thereby allowing consumers to simply enjoy the product of such a hard laboured commodity without the pretence of advertising, leading consumers to engage in a more political or socially conscious way of consumption and less in conspicuous consumption through this beverage.



Figure 31. Fresh picked coffee berries.
Collected by: Karina Gonzalez Soto.

Hence from the information gather for this study, it is inferable that coffee producers have bore the burden of producing the perfect cup of coffee and continue to do so, at

times, with the help of fair-trade organizations that have come through the New Regionalism, which has open the door for anyone willing to enter the coffee market. And, although fair trade offers stable prices and a stable buyer, as indicated by the examples given by the different members; fair-trade organizations are not always able to function efficiently either due to late payments. Thus, in times of crises Guatemalan coffee producers are left to find support from their own cooperatives, associations and ANACAFÉ, rather than the international market to whom they solemnly supply coffee to.

This study could have benefited from other analyses of the sort, which could have outlined more deeply the different ways in which the coffee industry is affected by globalization and its different cultural flows. Unfortunately, not many studies have addressed coffee sociologically. This may change, since more and more we are surrounded by coffee houses and the dispersion of coffee culture. Additionally, we continue to hear of ethical movements taking to the political front addressing worldwide social issues ultimately affecting those who live in third world societies including coffee producers. However, some of the people these movements are concerned with live in areas which may be difficult to reach, such as in the case of some Guatemalan coffee producers, thereby, leaving them in less advantageous positions to support their way of life and to earn a living.

Amidst the discussion concerning fair or just prices for coffee producers with respect to the earnings of major coffee companies; such as Nestle, maker of Taster's choice and Nescafe, it should be kept in mind that the prices accorded to the coffee producers are necessarily low in order to allow North American Western consumers to enjoy a cup of coffee for a relatively low price. However, this does not imply that coffee producers

should be kept at the same low level of subsistence; but rather new methods of exporting coffee should become implemented in countries such as Guatemala where the economy depends greatly on this seeming dwindling trade. Some of these exporting methods, such as roasted or grinded coffee, are methods that render coffee ready to be consumed and which can also provide a much bigger profit for the producer. One farmer mentioned in this study, that the cooperative to which he belongs to was already on its way to exporting coffee in its prepared state. This method relies on much dedicated work and commitment; characteristics which most coffee farmers already possess. On the other hand, this also depends on capital which coffee farmers can only obtain from selling to the international coffee market, which already provides them with little resources.

In sum, this study has attempted to illustrate the various reasons why the world of coffee production seems to have been kept a mystery for the North American coffee consuming culture, through the socio-cultural discrepancies surrounding the interpretation of coffee as a commodity as well as the economic implications concerned in this disparity. In addition, information regarding the circumstances which affect coffee producers, their relation to the international coffee market, and their response to its pressures have also been addressed. Nevertheless, the closure of the socio-economic and cultural discrepancy between coffee producers and consumers still seems very difficult to attain.

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