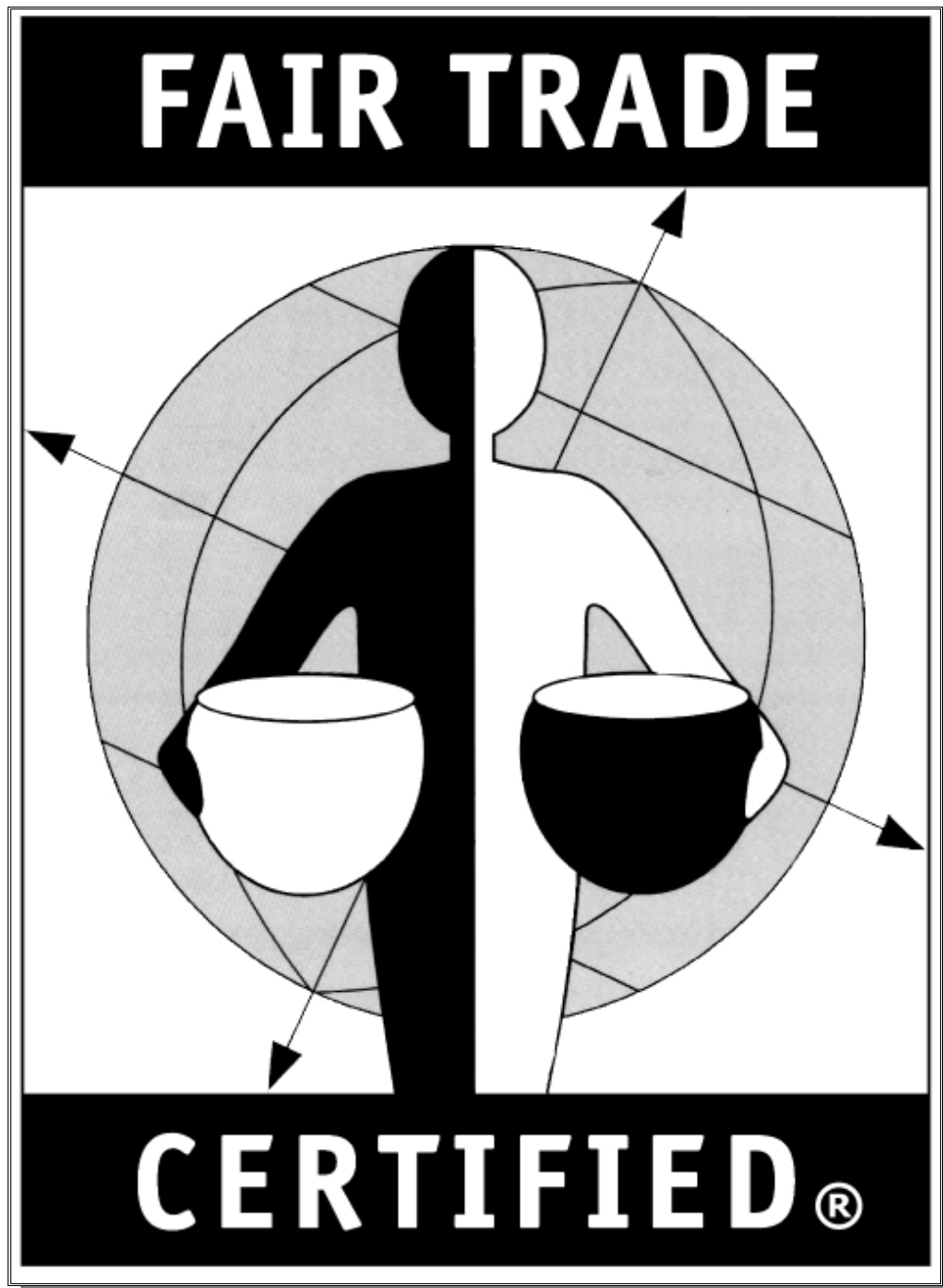


Fair trade coffee: Case study in social change

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I

The problems facing today's citizens of the so-called third world include poverty, malnutrition, backbreaking sweatshop labor, child labor, and land theft ('repossession' of land by banks on behalf of agribusiness monopolies). As the corporate juggernauts spread throughout the world, pushing forward "free-trade" and "democracy" through globalization, the developing nations whom have adopted capitalism is the exploitation of the country's environment and its people. The corporations change the balance of power such that its citizens become dependent; when they can no longer support themselves by their traditional methods, the people have no choice but to move to the cities.

There is, then, no doubt that there is a growing gap between the rich and poor throughout the world. In most post-colonial countries, the poverty is so high, that their governments have had to take out loans from the World Bank to alleviate its economic status. Unfortunately, all countries, after having taken out a loan from the World Bank, find themselves in a vicious cycle of poverty and debt. They have had to cut back on social programs, which the capitalist class sees as frivolous spending, and allow themselves to be invaded by multi-national corporations so that they might 'rebuild' their economies. What has emerged, since the non-governmental organizations have pushed their trans-national economic agendas, is a new form of colonialism: economic dependency. By breaking the tide of economic dependency, we *prevent, on a large scale*, the monopolization of agriculture by corporations; in turn this prevents the poverty stricken shanty towns on the outskirts of major cities, because it prevents rural to urban migration by making it economically feasible for farmers to keep their small farms. This

paper is an outline on how *every one of us* can help the citizens within these developing nations maintain their culture, tradition, livelihood, and health of current and future generations through financial stability, by simply buying a *particular* cup of coffee.

Taking a simple product like coffee, the images we are bombarded with are those of Juan Valdez and his 'burro' visiting the various chic downtown stores ordering 'real Colombian coffee'; this is an utter fallacy. The truth is that most coffee farmers are getting hardly enough money to live on, much less to support a family and a farm. In August of 2000, the price of raw coffee dropped to under \$0.80 USD per pound; the price as of 1 June 2001 is a mere \$0.60 USD per pound. These family farmers, representing 75% of the coffee *producers* in the world, are forced to sell their coffee to middle men at these low prices. The middle men stand between the coffee roasters, and the coffee producers; their unnecessary and sole responsibility is to pass the 'bag' from the farmer to the roaster (like Starbucks and Xando).

In Guatemala, for example, most are paid (illegally) sweatshop wages, toiling under abysmal working conditions. Coffee farmers must produce a 100–pound quota in order to get a minimum wage of \$3.00 USD per day. Yet over half of the coffee farmers do not receive minimum wage, even after working overtime without compensation or employee benefits. The total wage in this free–market economy is around \$127 USD per month; Yet if we consider the costs of required purchases for a family of five, \$171 USD for basic food stuffs plus social services such as education, healthcare, clothing, and transportation, the total per month minimum to survive is \$313 USD per month. As a result, many coffee workers bring their children to help them in the fields in order to pick the daily quota. The child workers, as young as six to eight years of age, are not

officially employed, hence not subject to labor protection laws. The best way to prevent this type of illegal child labor is to pay the families enough to live: to pay them a living wage.

The labor conditions on the coffee farms are quite harsh; with many workers sleeping in temporary shelters, without clean or running water, they are forced to cook with the same water they wash and take baths in. The education and literacy rate of coffee farmers are dismal, with only 13% of the farmers having completed elementary education. Because of the rural nature of farm work, being disconnected for months at a time from society, the farm workers are especially vulnerable to the coercive forces of plantation owners. These plantation owners are able to flaunt, and outright disobey the countries' laws requiring health and safety standards, as well as the workers right to organize.

II

The fair trade organization, Transfair USA, proposes a plan to help give the coffee farmers a *fair* chance. Further, Transfair USA's solution is *completely compatible with classical liberal free trade economics*. Transfair USA selects coffee farmers from Latin America and places them directly in contact with the coffee roasters across the world. By cutting out the middle men, the coffee roasters keep paying their usual prices for coffee, while drastically increasing the amount of money that goes directly to the coffee farmer.

There are several conditions that must be met by the coffee roaster in order to apply for fair trade 'certified' coffee:

1. The purchasing price is set for fair trade coffee, in order for it to be marketed with the fair trade logo.
 - a) Guaranteed floor price of \$1.26 per pound for washed arabica.
 - b) There is a fixed premium of five USD–cents per pound for displaying the FairTrade Logo.
 - c) To have a Transfair USA logo saying that ‘organic’ or ‘non–genetically modified’ coffee was used, there will be an additional fifteen USD–cents added.
2. The roaster/buyer is obliged to facilitate the coffee producers access to credit–facilities at the beginning of the harvest season, up to 60% of the value of the contracted coffee at Fair Trade conditions, at regular international interest rates. The credit will be canceled upon shipment of the coffee.
3. Producers and roasters/buyers depend on reliability and continuity. For that reason, relations between both should be based on long term contracts (1 to 10 years).

The minimum price for coffee combined with the long term contracts, make for a suitable safety net protecting small farmers when the market prices, as they have between 1994 and 1998, go below the living wages. These minimum prices are linked closely with the research done into exactly how much is necessary for living throughout most of the coffee producing nations. Further, the fair trade credit criteria is especially necessary because it helps the farmers during the months between harvests. Because of the lack of money during that time, coffee farmers are often forced to sell their future harvests to local middlemen at extremely low prices in exchange for some cash upfront.

Since they have 'sold' the harvest, they cannot pay their middlemen in cash, they must pay with the harvest, leaving nothing to give to the fair trade roaster.

Those coffee producers, who have already signed up with Transfair USA, have seen marked improvements in their wages and standards of living. In Nicaragua, a fair trade co-operative, PRODECOOP, has generated over \$600,000 USD in premiums for membership, *this year alone*. They have used this to pay back farm debts, invest in farm improvements, and improve nutrition. A coffee farmer, Miguel, and his wife, Laura, estimate that they have more than doubled their annual income as a result of fair trade coffee. This has allowed them to keep their daughter, Rosa Maria (aged 11), in school, long past the age when she would have been required to work in the fields. In Mexico, income from fair trade relations have helped to create the region's only public bus system, a hardware and farm supply center, healthcare services, agricultural training programs, accounting training programs, and the only secondary school in the region. Additionally, the annual incomes for fair trade farmers have nearly doubled.

III

Now that we have discussed what the Fair Trade movement represents along with what it is trying to prevent, let us now discuss what can be done on the local level to assist this movement in accomplishing its greater goals. It is vital to recognize the importance of small-scale changes within the framework of working towards a worldwide change. No social movement of the past, nor any of the future, can possibly be successful without the assistance of those individuals active within their local communities to help drive change forward from its grassroots. This is why it is important we become active within the Drexel community in regards to the Fair Trade movement.

A small success at Drexel could possibly lead to nationwide changes within many universities that could follow the example set here. However, there are many steps in the change process and they will not come easy. That is why we have set about a plan that involves incremental increases in the level of activity at campus in order to work towards our goal of Fair Trade Coffee being sold in the Creese Café. These steps towards change involve many types of action that have many different individual goals. All these individual goals being brought together may make this change successful.

The first of these goals is simply to raise the awareness of the Drexel community concerning this issue. During our visits to the Creese Café we discovered that the staff working there was not at all familiar with the Fair Trade Coffee movement. The same can be said for the majority of students and faculty who also comprise the Drexel community. Therefore it is extremely important that we help "spread the word" concerning this movement. We have discussed many ways that this could possibly be done and agreed that the following would most likely have the best results. The first attempt to raise awareness could be done by strategically placing flyers discussing Fair Trade Coffee and its benefits in the Creese Café and right outside the café in the student lounge. If flyers were placed throughout the Creese Café, this would allow students the opportunity to read one while enjoying their coffee or to grab one on their way out. Another idea to raise awareness on campus would be to have a Drexel wide email sent out to all students letting them know that they can take part in this movement by simply asking for Fair Trade Coffee when going to the café. Also, by asking students via email to fill out the comment cards in the café while dining and to mention something about Fair Trade on the card.

However, the best way we believe we can reach the Drexel community would be by having a presentation about Fair Trade Coffee at some point in the school year. During this presentation we would discuss the plight of the South and Latin American coffee farmers and their struggle for survival. We would do this by showing a video (provided by Fair Trade who has such videos) and by then having a discussion session afterwards open to questions from the audience. Also, at this presentation we would have a farmer from South or Latin America present so that he too can describe his lifestyle and add a true touch of reality to what this movement represents. Rather than speaking solely on the abstract level this would certainly bring the discussion down to Earth. I believe that the phrase "seeing is believing" speaks for the prevalence of empiricism within American society and therefore it is important that the Drexel community see such a coffee farmer because it may help them to believe more so in the validity of this movement.

The next step of this movement, in continuing with our non-violent focus, would be an active letter writing campaign to both Drexel University and Marriott who controls the food services. The purpose of these letters would be to kindly ask if these institutions would consider the implementation of Fair Trade Coffee within the Creese Café. The letters would include reasons why such change is important by outlining the struggles of coffee farmers in Latin American countries and the negative affects that are the result of the exploitation of these workers. We would demonstrate in these letters that we are working towards the improvement of the lives of these people and mention that these institutions should have the same intentions as the ethical foundation of their business practices. We will then also demonstrate how easy it is to go about such a

change in policy and mention organizations such as TransFair USA and Global Exchange who they can contact when concerning the implementation of this change to add Fair Trade Coffee to their business enterprise. Finally we would mention the support that these organizations would get if they did make such a change because they could then say they do indeed have a vested interest in the lives of those less fortunate. However, this last step will only be of any use if the Fair Trade struggle continues to make news for itself. That is why raising awareness is the first step in this process and the most elementary if this movement is to continue to succeed.

Although the letter writing campaign is an important step, we do realize that getting the attention of a major corporation or institution is in many cases an exercise in futility. That is why we will use petitions as the third step in this process of social change. The likelihood of a corporation or institution listening to an interest group such as ours is slim at best. On the contrary, the likelihood of this same corporation or institution listening to many of its customers is much more probable. We must always keep in mind that we are working with businesses whose main goal is to gain profit. This is their true vulnerability. If we can get a large petition signed by many customers put together then this corporation, in this case Marriott, knows that this could affect their bottom line. Then this could allow for the opening of discussions between Marriott and TransFair in regards to Marriott's coffee purchasing preferences. We believe that the two best ways to get this type of petition put together would be to set up a small booth outside of the Creese Café where students could learn about Fair Trade Coffee and sign the petition if they wish. The second would be to have an online petition set up that would go around the entire Drexel community and then directly to the mailbox in the

office of President Constantine Papadakis and also to Marriott's main office. E-mail could be a very powerful tool in this step and can be used effectively to put the pressure on these two institutions directly involved with this change.

Another step in this change process would be to set up a boycott of the Creese Café whose goal would be to dramatically cut down on their business. The boycott would only be lifted if the Creese Café began to sell Fair Trade Coffee. If the threat of a loss of business would not be enough for Marriott or Drexel as inferred by the petition, then the boycott would be the actualization of petition. The petition could serve as a warning to Marriott and Drexel stating that the community is not happy and will stop buying coffee at the Creese Café if their voices are not heard. Then the boycott would simply be the petition put into action to directly affect Marriott and Drexel's business sector. We would ask that all students, faculty, and staff take part in the boycott and no longer purchase coffee at the Creese Café. If all portions of the Drexel community took part in this boycott then this would really send a striking message. Imagine professors, deans, students, staff, and etc. all coming together for the sake of this movement. The impact of this type of boycott could just be enough to get Marriott to take a seat at the bargaining table.

Despite the possible effectiveness of the previous steps combined there is still one more step that could be taken in this social change process if necessary. This last step would be to organize a sit-in that would take place inside the Creese Café. If all of the other steps in this social change process go ignored then this will have to be the exclamation point that awakens the slumbering corporate giants. The sit-in would prevent people from gaining access to the Creese Café and we would shut it down from

the inside out. The students taking part in the sit-in would all participate on a voluntary basis and their sole purpose would be to remain in the Creese Café until Marriott decided to talk about implementing Fair Trade Coffee at the café. Although this step is certainly escalating the aggressiveness of this movement, sometimes these different tactics are necessary in making one's voice heard. Those participating in the sit-in would not vandalize anything in the Creese Café and this would serve as an example of their non-violence to demonstrate that we still simply just want Marriott to open discussions concerning Fair Trade Coffee.

IV

In conclusion, we believe that the steps outlined in this paper would be the best way to go about the implementation of Fair Trade Coffee in the Creese Café. It is also important to note why this social change is being pursued. We are doing this for the sake of those less fortunate who had their voices silenced in this matter. The coffee farmers of South and Latin America deserve to gain a living wage for their work to support their families. If this living wage is introduced then it helps to reduce the likelihood of the social ills that plague these farmers such as poverty, malnutrition, and lack of education. This small scale "cure" in the Creese Café is part of the overall prevention process that is trying to save and empower the lives of these people. Therefore, it is important once again for social activists to realize that they must act locally and think globally. The combination of these two strategies is the only way that social change can occur effectively and remain intact. In short, this change along with other social changes can be accomplished if those involved simply remember that "The huge collective residue of past negativity, fear, and pessimism is only alive if it is alive in

our hearts. It can be scattered to the winds when we choose to carry hope and vision in its place." (Dauncey, xi)

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