

Fair Trade Coffee

Perceptions of the Fair Trade coffee growers of Marsella



(Source: [www. http://www.Fairtrade.net](http://www.Fairtrade.net))

By: Peter Andréa

Fair Trade Coffee

*Perceptions of the Fair Trade coffee growers of
Marsella*

Latin American and Caribbean Studies

University of Utrecht

Master thesis

Peter Andréa (3616207)

Supervisor: Kees Koonings

Utrecht, 20 Augustus 2012

Abstract

Fair Trade was set in motion to support the small scale coffee growers who struggle with neo-liberal policies. With a minimum price and offering a social premium attempts Fair Trade to improve the livelihoods and lives of the coffee growers and their communities. Colombia is one of the biggest coffee producers in the world and the production is dominated by small scale growers. How does Fair Trade offers those Colombian small scale growers a sustainable development? This is a case study of a small coffee community in Colombia named: Marsella. The perceptions about social and economic improvement due to Fair Trade differ among the *cafeteros*. Some see social improvements other small economic improvements but in general is the perception that Fair Trade has a marginal positive impact. Besides are social capital and social identity of the Fair Trade coffee growers investigated. However the *cafeteros* see themselves as free and independent do some forms of social capital have influence on their social identity, but Fair Trade very little. Nevertheless does Fair Trade have a positive influence on the lives of the *cafeteros*.

Keywords: Fair Trade, globalization, neo-liberalism, *cafeteros*, poverty and inequality, small scale growers, social capital, social identity, social justice, Colombia, coffee,

Table of contents

Introduction.....	6
1. A theoretical framework for an understanding of Fair Trade	10
1.1 Globalization and Neo-liberalism.....	10
1.2 Neo-liberalism, poverty and inequality.....	11
1.3 Neo-liberalism and Market-Led Agrarian Reform.....	12
1.4 Peasants in Latin America	14
1.5 Fair Trade and development for coffee growers in Latin America	15
1.6 Social justice, social identity and social capital of Fair Trade coffee growers in Latin America .	18
1.7 Coffee and Fair Trade in Colombia.....	19
2 The Fair Trade producer organization: Cafimarsella.....	21
2.1 Foundation of Cafimarsella.....	21
2.2 Structure of Cafimarsella	21
2.3 Cafimarsella and Fair Trade	23
2.4 Why and how to associate with Cafimarsella?	24
2.5 Current situation	27
3 Economic and social improvement due to Fair Trade.....	29
3.1 Economic improvement due to Fair Trade	29
3.1.1 Fair Trade and the income of the <i>cafetero</i>	29
3.1.2 The Fair Trade social premium	32
3.1.3 Fair Trade and position in trade	33
3.2 Social improvement due to Fair Trade.....	34
3.2.1 Awareness and Fair Trade	35
3.2.2 Self-respect of the associates of Cafimarsella and Fair Trade	36
3.3 Causes Fair Trade poverty reduction?	38
4. Social capital and Fair Trade coffee producer	40
4.1 Social capital between <i>cafeteros</i> themselves and Cafimarsella	40
4.2 <i>Cafeteros</i> and the <i>Comite del cafeteros</i> de Marsella.....	42

4.3	<i>Juntas de veredas</i>	43
4.4	Social capital way out of poverty?	43
5.	Social identity of Fair Trade coffee growers.....	45
5.1	Identification with CafiMarsella and Fair Trade.....	45
5.2	Identification with Colombia.....	45
5.3	Identification with Marsella	46
5.4	Identification with religion.....	46
5.5	Identification with campesinos	47
6.	Conclusions.....	49
	Bibliography	52

Introduction

'Our mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives'¹

This is the contemporary mission of the Fair Trade Labeling Organization (FLO). It is a critical reaction to the neoliberal policies that during the 1970s and 1980s were adopted by countries worldwide, with the conviction that it would bring prosperity for everybody (Harris et al 2000:10). It turned out to be a misunderstanding of many governments but as well of the International Monetary Fund and the World Bank. Many scholars (Wade 2004; Scholte 2005:11; Harris et al 2000:59; Shimko 2009:174; Portes and Hoffman 2003:62) state that neoliberal policies worsened the situation for the poor and it widened the gap between rich and poor. The poor of the South lack the capacity to compete on equal terms with the North, because they lack technology, skilled labor and financial capital (Harris et al 2000:10). The Fair Trade movement reacted with the strategy 'trade not aid' in an attempt to elevate the producers from the South from their poverty (Raynolds et al. 2004:1109).

The origins of the pursuit of a fairer trade can be traced back in the 1940s and 1950s when Christian NGOs started with selling handicrafts from the poor South to support them. But this form of Fair Trade remained marginal. In 1988 Max Havelaar was founded in the Netherlands and with it the fundament of the contemporary Fair Trade Labeling Organization. They responded on the request of Mexican coffee growers who wanted a fairer price so they could help themselves instead of asking for help. Fair Trade started to connect producer and consumer, with result. Max Havelaar started with a certification for coffee and in the next decades was it followed by Fair Trade initiatives for other products. Worldwide, there are currently nineteen Fair Trade initiatives but coffee is still the biggest product of Fair Trade. The coffee Fair Trade certification offers small scale coffee growers the opportunity to sell their coffee for a higher price if they at least; organize themselves in a producer organization; not make use of child or forced labor; and produce on in environmentally friendly way (FLO 2011). By giving the coffee farmers a higher price for their coffee and a social premium, the Fair Trade certification aims on a sustainable development for the poor in the developing countries. Is the strategy of 'trade not aid' the egg of Columbus in reducing poverty and inequality or just a well-intentioned aim? The big coffee companies criticize Fair Trade because according to them they ignore the market forces of supply and demand. Besides them are as well scholars who have their critical thoughts about Fair Trade. Harford (2012:244) states that there is an overproduction of coffee and for that reason can't Fair Trade provide a substantial difference for all the small scale coffee growers. Haight (2011:77-78) calls Fair Trade 'an incomplete model' because the aims of Fair Trade doesn't have the desired effect on the producers. Among other things she remarks the wrong use of the social premium.

On the websites of Max Havelaar and FLO can everybody meet the producers and read about the success stories of Fair Trade with quotes and photos of smiling producers. Those success stories and the critique on Fair Trade fueled the desire in me to meet the Fair Trade producers by myself, to see how and if Fair Trade can make a positive difference for producers of the South. I decided to do the investigation about coffee because it is the first and the biggest product with the Fair Trade certification. The decision of Colombia for the research location was mainly taken because of two

¹ http://www.Fairtrade.net/our_vision.html (July, 2012)

reasons. Firstly, because of the importance of coffee for many years in the Colombian economy and secondly, because it is one of the biggest coffee producing countries in the world. Not surprisingly those facts gave me the impression that the livelihood of many people in Colombia depend on coffee. Besides that the Colombian coffee production is dominated by small scale producers and many of those became victims of the free trade and free market of coffee. The Fair Trade certification gave them the opportunity to improve their livelihood and create sustainable development in their communities. Thus very interesting what the perceptions about Fair Trade of those coffee producers are and important for me to build an argument about the influence of Fair Trade at the producers side. In Colombia I chose to do my research in Marsella and I used the Fair Trade producer organization CafiMarsella for this thesis.

For the research I formulated the following central question: How do the coffee farmers of CafiMarsella perceive social and economic improvement due to Fair Trade and how does that relate to their social identity? To can answer the central question I formulated five research questions. First, how is the CafiMarsella organized? Second, what is the role of social capital of CafiMarsella in Fair Trade? Third, how does Fair Trade improve the situation of members of CafiMarsella economically? Fourth, how does Fair Trade improve the situation of members of CafiMarsella socially? And fifth, what is the social identity of Fair Trade coffee growers? I chose to involve the notion social capital in the research because Fair Trade requires that the coffee growers are organized in a producer organization. Social capital is about making and maintaining relationships to achieve things that by yourself is very difficult (Field 2008:1). So that makes it interesting if the producer organization offers a useful social capital that is available to the coffee growers. As well I chose to engage social identity in the research, because by using the capabilities approach of Amartya Sen (in Kuklys 2005:10) can social identity be a capability to achieve what somebody wants and social identity can derive from social capital. Social identity is about the *we* and the *them* (Worchel 1998:2-3), so do the Fair Trade certified coffee growers see themselves as the *we* and the non-certified coffee growers as the *them*?

This thesis is about my fieldwork that I completed in the municipality of Marsella. I lived for sixteen weeks in the only significant town of the municipality with the same name in the department of Risaralda. Coffee plays an important role in the local community and the majority of the little more than 20.000 inhabitants are directly or indirectly related to coffee due to family and/or their business. On the high schools in Marsella they even teach about coffee, so escaping from coffee is difficult in Marsella. In Marsella the cooperative CafiMarsella is the producer organization that is certified with Fair Trade. Through this Marsella has 282 Fair Trade coffee growers, of those are the big majority small scale producers. After a tip from an old man on the streets of Pereira I stranded in Marsella. First I visited the *Comite del Cafeteros de Marsella* and explained my research intentions. Directly they offered me their support and a workspace on their office. The chief of the *Comite* gave me a tour in town and presented me at CafiMarsella who as well offered support. Like they say: 'a good start is half the battle' the rest of the research proceeded well too. With a list received from CafiMarsella with names of associates I visited several coffee growers (known as: *cafeteros*) to introduce myself and ask if they wanted to cooperate with my research. During those introduction visits I was accompanied by a Colombian student and a resident of Marsella, who did an internship at the *comite*. Afterward I visited those *cafeteros* on my own and it resulted in long interviews with the friendly and hospitable *cafeteros* in the beautiful landscape of Marsella. The visits to the *cafeteros* were often pleasant because it wasn't always only for an interview. Not uncommon was it to be invited for lunch or dinner and as well

I picked coffee on the steep and slippery slopes to experience a workday of a *cafetero*. All together gave me a good insight in their lives as *cafeteros*.

Although the associates of CafiMarsella aren't all small scale producers I visited mainly the smaller producers, this because Fair Trade aims to improve the situation for small scale producers. Besides the interviews with the associated *cafeteros* I did as well interviews with staff members of CafiMarsella and of the *Comite*. Another important input for this thesis were the many informal conversations with associated *cafeteros*, non associated *cafeteros*, privately owned coffee buyers, relatives of *cafeteros* and all other residents of Marsella who are in one or another way are involved with the coffee business. Further I did participant observation, like I mentioned earlier with the visits of the farms and as well at meetings of CafiMarsella and the *Comite*. It gave me a better understanding about the social capital of the *cafeteros*. This all together gives me a good picture of the lives of Fair Trade coffee growers in Marsella. Off course this research has its limitations, because it is about perceptions of the *cafeteros* is it subjective and it is a case study of the social economic impact of one coffee community.

With this thesis I attempt to add an anthropological perspective to science about Fair Trade. This thesis shall give an inside perspective about how coffee growers perceive economic and social improvement due to Fair Trade in their own lives and their community. It has both a social and a theoretical relevance because it can be useful knowledge in the struggle of reducing poverty and inequality. Moreover I present what kind of social capital Colombian coffee growers have and what role it plays in their sustainable development. It is relevant because there is discussion about the role of social capital in social and economic development, many scholars (Blair and Carroll 2008:42; Stiglitz, Sen and Fitoussi 2009:51; Geiger-Oneto and Arnould 2011:280) see positive relations but another scholar (Kay 2006:465) doubts that. With this thesis I attempt to add an anthropological perspective to that discussion. Besides that I show how the associates of CafiMarsella relate their social identity to Fair Trade. It has a theoretical relevance because it could be a capability in what a coffee grower wants to be or do.

This thesis starts with a theoretical framework of Fair Trade to get an understanding of the concepts that are related to Fair Trade. First are described globalization, neo-liberalism, poverty and inequality, state-led agrarian reform and market-led agrarian reform. Further I write about peasants and Fair Trade in Latin America. After that the concepts social justice, social capital and social identity are treated for Latin American Fair Trade coffee growers. The theoretical frame will show that neo liberalism is not the same as globalization although they sometimes are perceived as equal. Those concepts are important to understand why Fair Trade was set in motion. Peasants of the South became victims of neo liberal policies and the Fair Trade movement is a critical response on it. After the theory follow the chapters about the research data. In the first data chapter I described the Fair Trade producer organization CafiMarsella. CafiMarsella is a cooperative that is certified since three years with Fair Trade. Afterwards in chapter three I described the economic and social improvements due to Fair Trade based on the perceptions of the coffee growers. The perceptions of the coffee growers about the social and economic improvement are diverse and many do not know much about Fair Trade. In chapter four I described what kind of social capital the coffee growers have and how they use it. The coffee growers have several forms of social capital like CafiMarsella and the National Coffee Federation but are in general rather independent. In the last chapter of research data I described the social identities of the coffee growers. The most coffee growers are proud of their Colombian coffee

but do not identify themselves with Fair Trade. The final chapter I conclude my thesis, I give an answer on the research question based on the research data and theory. Fair Trade does have positive influences on the lives of the coffee growers although those are often not perceived by the coffee growers.

1. A theoretical framework for an understanding of Fair Trade

In this theoretical framework the concepts are described that are at the basis of the research. To answer the central question it is important to understand all concepts related to Fair Trade. The theoretical framework is build like a funnel, in macro and meso levels. First on a macro level are the concepts globalization and neo liberalism described those are important to understand why the Fair Trade initiative was set in motion. Because this thesis is about a coffee growing town in Colombia is zoomed in on a meso level about poverty and inequality among Latin American peasants due to neo liberalism and market-led agrarian reform. This is important to frame the situation of the Latin American peasants. It is followed by a paragraph about how Fair Trade attempts to bring development for Latin American coffee growers. As well are the concepts of social justice, social capital and social identity described because those are important to get an understanding of the Latin American Fair Trade coffee grower. Finally at the end of the funnel are all those concepts described about the situation in Colombia.

1.1 Globalization and Neo-liberalism

Globalization is an elusive concept and therefore defined by scholars in many ways. It is used in both popular and academic literature to describe a process, a condition, a system, a force and an age (Steger 2010:90). Robertson (1992:8) defined globalization as a concept that refers both to the compression of the world and the intensification of consciousness of the world as a whole. During the 1990s and the beginning of the 21st century many scholars attempted to pin down what globalization is. Scholte (2002:8-13) mentions four broad definitions of globalization. The first is globalization in terms of internationalization; the growing interdependence between countries through trade and capital flows. Second is in terms of liberalization; an open and borderless economy due by the removed government restrictions on movement of resources. Third is the use in terms of what Scholte calls universalization; the spreading of experiences and objects all over the world like Barbie dolls, cars, food, and so on. The fourth is globalization defined as westernization; this means the social structures of modernity are spread all over the world like capitalism, rationalism, industrialism, urbanism, and so on. Enterprises as McDonalds, CNN and Coca-Cola are often understood as westernization. These social structures often destroy existent cultures and local self-determination. According to Scholte (2002:8) these are *cul-de-sac's*, dead end definitions. He thinks it is not helpful to treat globalization as an equivalent to internationalization, or liberalization, or universalization or westernization. To see it as an equivalent is only replacing an existent word and/or it fails to bring new understandings. Therefore Scholte suggests a fifth definition of globalization, defining it in terms of supraterritoriality or deterritorialization. Thus globalization entails a reconfiguration of geographic social space that is no longer mapped to specific territorial places, territorial distances and territorial borders what causes that people become more able to engage physically, legally, culturally, and psychologically with each other in 'one world' (Scholte 2002:14).

According to Steger (2010:12), one of the reasons that globalization remains a contested concept is because there exists no scholarly consensus on what kind of social process constitute its essence. He suggests that globalization refers to a multidimensional set of social processes that create, multiply, stretch and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant (Steger 2005:13). Like Scholte Steger avoids using more economic terms as internationalization,

liberalization, universalization and westernization to define globalization. Both see globalization as a social process. It appears that they evolved the definition of Robertson that he formulated in 1992.

When scholars define globalization in terms of liberalization it has a lot of overlap with neo-liberalism. But according to Scholte (2002:32-33) globalization and neo-liberalism are not the same. So what is neo-liberalism? It is a policy framework with the ideology that the growth of global relations should be approached with *laissez-Faire* market economics through privatization, liberalization and deregulation (Scholte 2005:7). The main focus of the neo-liberal ideology are the free market and free trade, from that the market forces of supply and demand will produce development (Harris et al. 2000:11; Larrain 2000:134; Scholte 2005:8). Thus neo-liberalism and globalization are different things but they are related to each other. The neo-liberal doctrine prescribes globalization as being basically an economic process. Therefore are often cultural, ecological, geographical, political and psychological aspects of globalization subordinate to economics in neo-liberal policy. Because of that neo-liberalism is not equivalent to globalization. Neo-liberalism is a policy approach toward globalization (Scholte 2005:24).

1.2 Neo-liberalism, poverty and inequality

Elites, in particular chiefs of transnational corporations (TNCs) and western economists, thought that they had discovered the winning economic formula which should cause prosperity for every country and every person regardless rich or poor. The formula was the neo-liberal ideology of privatization + deregulation + globalization = turbo capitalism = prosperity (Luttwak 1999). 'There Is No Alternative' according to the former British prime minister Margaret Thatcher who created the acronym TINA for globalization and neo-liberalism (Harris et al. 2000:16). Many countries with advanced economies mainly in the North adopted during the 1970s and 1980s neo-liberal policies with the belief it would bring prosperity. Soon developing countries of the South followed their example as a response on the collapse of the Asian, Latin American and East European economies (Harris et al. 2000:27-28). For the developing countries it was often not a completely voluntary decision to adopt the neo-liberal ideology. It started with large TNCs who are involved in the majority of the world trade. The TNCs convinced both the governments of the major capitalist countries (the United States, several countries of the European Union and Japan) and as well major international financial and regulatory trade organizations such as the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) to pressure the governments of the developing countries to implement neo-liberal policies (Harris et al. 2000:7). The consequence was that the international financial institutions (IFIs) like the IMF and the World Bank imposed conditions on loans that were consistent with the neoliberal doctrine. The conditions on the loans were included in the Structural Adjustment Programs (SAPs). Because of the location of the IFIs' headquarters is this worldwide known as the Washington Consensus. Thus the developing countries who want to receive loans had first to implement a SAP. Virtually every SAP consist some key reforms. First is reduction in governments spending what is called fiscal austerity; second reductions in government subsidies to domestic industries; third reduction of tariffs, quotas, and other barriers to imports; fourth is reducing restrictions on foreign investment in short capital market liberalization; and the fifth privatization, or selling of government owned industries (Shimko 2009:169).

The imposed neoliberal reforms made the developing countries a part of the global capitalist economy. Wade (2004:567) notes that the neoliberal argument says that over the 1980s and 1990s the distribution of income between people all over the world is more equal and the number of people

living in extreme poverty has fallen. But among Wade different scholars (Wade 2004; Scholte 2005:11; Harris et Al 2000:59; Shimko 2009:174; Portes and Hoffman 2003:62) disagree with the neoliberal argument. For an important part responsible for this discussion is the World Bank, one of the most important institutions that measures poverty and inequality. In 2001 they presented a report in which they showed that the number of people living poverty grew from 1.18 billion in 1987 to 1.20 billion in 1998. Less than two years later a different report of the World Bank showed that from 1980 to 1998 the number of people living in poverty fell by 200 million people (Deaton 2002). According to Wade (2004:571-574) are the poverty headcount and the measuring of income equality of the World Bank disputable, therefore he presents several arguments. He argues the large margin of error and the downward bias of the poverty headcount. The main argument of Wade is the use of Purchasing Power Parity (PPP) by the World Bank to capture the total people who live in poverty. Because according to him it is not a representative way of measuring it. The manner that the World Bank measures income inequality disputes Wade as well, because there is only one manner of measuring a decrease of inequality and that's the one the World Bank uses. It is when the figures of China and India are included, without those countries there is more poverty and inequality. Thus he and several other scholars argue that neo-liberalism widened the gap of inequality in the most countries. The way of measuring poverty and income equality by the World Bank gives the impression that neo-liberalism reduces poverty. Is it a coincidence that one of the institutions who imposed neoliberal reforms tries to give the impression that poverty decreases during the era of neo-liberalism?

According to the World Bank (WDR 2000/2001:45) is economic growth a powerful force in reducing poverty. With neoliberal reforms the market would be better for poor people and offer them opportunities to climb out of poverty. But in various cases the contrary happened. In the former Soviet Union poverty rose after the liberalization of economics from 14 million people in 1989 to 147 million in 1996; in the same period inequality rose in Latin America and parts of Africa (Cornia and Court 2001:9). Rising income inequality is a known threat for economic growth and reducing poverty. Becoming a part of the world capitalist economy was for developing countries not always the beginning of a sustainable development. Due to the lack of technology, skilled labor and financial capital is it for developing countries difficult to compete on equal terms with the traditional capitalists (Harris et Al 2000:10).

1.3 Neo-liberalism and Market-Led Agrarian Reform

Globalization and neo-liberalism do not leave rural people undisturbed, as well peasants as big agricultural businesses are touched. Liberalization and opening up economies resulted in many developing countries in bankruptcies of many peasants because they were unable to compete with cheap and subsidized imports from North America and the European Union (Kay 2006 in Borrás 2007:xi). Because production and turnover could be easier extended, it benefitted mainly big agricultural businesses. But on the other hand globalization creates awareness and social interdependencies that can incite initiatives like Fair Trade.

Advocates of neo-liberalism promoted their believes as the solution of poverty but to the contrary it worsened the situation for many peasants and landless people. It is not that many peasants before the neoliberal regimes did not live in poverty and experienced equality, because they did. But from the 1950s to the 1970s several states tried to support poor peasants and landless people with land reform, in short the distribution of land from large to smaller properties. The land reforms helped peasants and landless with the access to land. Neoliberal policies imply less state intervention, thus

land reforms were during the 1980s often removed from the agenda of several governments. Without the state support the situation of peasants and landless people deteriorated and it resulted in a new type of land reform (Borras 2003b).

In the early 1990s land reform returned but in a different form, not longer state-led agrarian reform (SLAR) but now market-led agrarian reforms (MLAR). Several countries in Asia, Africa and Latin America implemented various MLAR programs. The model of the MLAR was formulated by pro-market scholars and policy-makers, and fiercely promoted by the World Bank as the solution to the persistent landlessness of rural people in the most developing countries (Borras 2003b:109). It was a new attempt to deliver economic growth and more employment to rural societies after the imposed SAPs of the World Bank and IMF in general failed to do so (Lahiff et al 2007:1420). The MLAR evolved out of their critique of the SLAR that failed to redistribute land to the landless poor; prevents efficient producers to accumulate land; stimulates corruption; prevents exit of inefficient producers and a state-led approach is costly (Borras 2003b). Therefore some scholars and the World Bank/IMF argued that a land reform in such a way was not effective and they encouraged MLAR. The key features of the MLAR model are the following three: getting access to land; post-land purchase farm development; and financing mechanism (Borras 2003:370). In the first feature of getting access to land is the cooperation of landlords important. To obtain cooperation land will not be expropriate from landlords but land is only sold if it is voluntarily and on the full market value of the land. The beneficiaries of access to land are not longer supply-driven and selected by the state but now demand-driven and self selected. To privatize the land transaction the state involvement is reduced what speeds up the transactions. In this manner farmers with potential to become or are already economically efficient will easier get access to land. If needed those farmers will be provided with funds to be able to buy land. Because of the voluntary process and less state involvement with MLAR land distribution would be quick obtained and better farmers would replace less skilled farmers. The second key feature of the MLAR is in short no land purchase before having viable farm plans. Planning and identification of marketing channels are undertaken before a land purchase can be made. With a clear development plan investors will be more inclined to invest in the farmers. The last key feature of the MLAR is financing, according to proponents is the financial cost to the state lower than with SLAR. Farmers with a viable farm plan receive a fund to buy land, the portion that is used to buy land becomes a loan the rest is a gift. The idea is that the farmers seeks for the best bargain for land and invest the rest in finance farm development (Borras 2003; Borras 2003b; Lahiff et al 2007).

Proponents of MLAR argued that SLAR did not achieve redistribution of land from large to smaller owners. Borras (2003) and Lahiff (et al 2007) argue that MLAR thus redistribution via market transactions also fails in meeting the demand of land for the rural poor and landless and with it a decrease in poverty and inequality. Borras (2003:389) argues that MLAR does not work because the large land owners have political power that the poor cannot overcome. Lahiff (2007:1431) adds to it that the fundamental problem in MLAR lies in the assumption that land is treated as solely an economic factor. Therefore it misses numerous social, political, cultural, religious and environmental dimensions and as well as class-, gender-, and ethnic-based relations. Thus neoliberal SAPs and MLAR did not make the situation for peasants and landless people better, perhaps even worse. Market-led redistribution of land did not achieve objects of social equity and economic efficiency.

1.4 Peasants in Latin America

Above is mainly elaborated about what worldwide, in particular in developing countries, the role is of neo-liberalism and the MLAR in contemporary poverty and inequality. This is the case as well for many Latin American countries in which many peasants and landless people are marginalized due neoliberal policies. A peasant is a small scale, independent producer whose workforce consists mainly of family labor (Veltmeyer and Brass 2003:130). Altieri (1999:198) adds that Latin American peasants usually grow their crops in valleys and on slopes and utilize traditional and subsistence methods. Opposite the peasant is what some call the capitalist farmer (Kay 2006; Bernstein and Byres 2000; Akram- Lodhi 2007), or the modern farmer (David et al 2000), or the commercial farmer (Borras 2003). They all refer to the large scale producing farmer who mainly produces commodity crops in a labor and capital intensive manner. Off course it is not dichotomous being a peasant or a capitalist farmer, in reality there are a lot of 'in between' farmers. In this theoretic framework is the term peasant used, which refers as well to small scale farmers who grow commodity crops.

The SAPs during the 1980s in Latin America had a more negative effect on the urban than the rural sector. Because many of the rural poor sought their prosperity in cities poverty increased in urban areas. In 2000 approximately 123 million people lived in rural areas in Latin America. 55 percent of the rural population lived in poverty, with 33 percent in extreme poverty (David et al. 2000:1674). The proportion of poor people in the rural areas remained higher than in the urban areas, although in absolute numbers poverty is higher in urban areas (Kay 2006:456). Looking at rural poverty figures of Latin America can be misleading. If the rural poverty figures are presented of Latin America as a whole a decline is noticeable, but excluding Brazil from the figures an increase appears (de Janvry and Sadoulet 2000:391). Thus in the most countries of Latin America, rural poverty has remained or even increased over the last three decades.

Not all rural areas are equal; some are better developed and have a richer natural resource base with better human capital than others. Human capital is a multifaceted concept and therefore may take a variety of forms. Knowledge, health and nutrition are important forms of human capital. Human capital refers in short: the knowledge, competency and ability of a person to be productive (IICA 1989:9-10). Access to infrastructure, services, education and markets go often along with less poverty and more diverse income opportunities. Without or with less access to the previously mentioned will often lead to increasing poverty. The poor rural areas are often caught in a vicious circle of stagnation, the lack of opportunity leads to loss of interest in education resulting in poor human capital (David et al. 2000:1674).

The Latin American agriculture had according to the SAPs to modernize. The emphasis became capital intensive farming and reducing the peasant economy. Therefore access to capital, technology and markets, as well as to knowledge and information systems became increasingly important in determining the success of an agricultural enterprise. Peasants in Latin America often lack the access to the former mentioned. Therefore the situation of peasants is precarious because they cannot compete with cheap food imports and on the other hand not benefit from the new export opportunities due lack of capital, technical know-how, marketing skills, lack of economies of scale and so on (Kay 2006:458). The liberalization of agriculture benefitted mainly the large landholders in Latin America.

According to Kay (2006:457) is a major land reform required in Latin America to tackle the root causes of poverty. He stresses that the lack of access to land, capital, technology and markets are at the core of the contemporary peasant poverty. In the beginning of the neoliberal regimes the issue of land reform was removed from the agenda. Thus the peasants couldn't rely on the state for land and capital. Later the neoliberal MLAR was introduced to offer peasants and landless people access to land through market forces. This resulted neither in improvement for the peasants and landless people. Kay (2006:458) argues that recent studies of peasant poverty focus too often on the consequences of poverty instead of the causes. He stresses that focusing on the inequality and lack of access to land are better for analyzing poverty instead of focusing on factors such as low levels of education. Children in poor rural areas don't go to school because education doesn't give them more opportunities, helping their parents with work at home or somewhere else gives them a better opportunity to survive.

In order to reduce the lack of access to land, capital, technology and markets of peasants became in the 1990s the notion of social capital fashionable (Kay 2006:462). Social capital refers to features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions (Putnam 1993:169). According to Field (2008:1) can social capital summed up in two words: relationships matter. Through making connections with other, and maintain these connections, can people together with others achieve things that they cannot do by themselves or only with great difficulty. The persons who are together in a network tend to share the same values and with the extent of the network it can be used as a sort of resource.

First only anthropologist and sociologists perceived social capital as the way out of poverty. Later economists and the World Bank followed and propagated it widely. According to various studies in Peru, Bolivia, Nicaragua and Honduras are high levels of social capital associated with positive outcomes such as higher incomes, increased amounts of property, access to food and democratic attitudes and behaviors (Pillai et al 2011:769). Kay (2006:465) doubts that accumulating social capital is the way out of poverty for Latin American peasants. It helps the poor to survive during extreme crises because they can rely on solidarity of their social networks. But in the case of access to natural resources the rich have more access to many forms of capital that results in perpetuating inequality and poverty. Nevertheless many scholars argue that quality of life and economic development are positively related to social capital (Blair and Carroll 2008:42; Stiglitz, Sen and Fitoussi 2009:51; Geiger-Oneto and Arnould 2011:280). In Fair Trade plays social an important role, it depends on networks of trust and norms. Thus Fair Trade is a way for peasants to accumulate their social capital.

1.5 Fair Trade and development for coffee growers in Latin America

Poverty and inequality remained persistent in the most developing countries during the neoliberal era. Privatization and deregulation implied by the North did not give peasants in Latin America the opportunity to alleviate from their poverty. In order to diminish poverty and inequality Fair Trade was initiated by organized groups from the North with the strategy 'trade not aid' (Raynolds et al. 2004:1109). According to Fridell (2004:413) the origins of the contemporary Fair Trade network can be traced back in the period between the First World War and the Second. He calls it the beginning of the Fair Trade movement. Because of an economic recession during that period, the demand of many commodities produced in the South declined and with it the prices. It threatened general order, a possible collapse of the international trading system and as well the profits of colonial companies and the stability of the colonies. With output and stockpiling restrictions governments tried to keep products of the market and the price artificial high. To what extent this was really Fair Trade is

doubtful, it was to preserve a good price for the farmers in colonies but possibly more for their own profit and authority in the colony.

After the Second World War the United Nations (UN) was created and during a UN conference in 1947 the General Agreement on Tariffs and Trade (GATT) was established. Agreed was on a degree of market regulation for commodities, which focused on production restrictions. This to keep the price high and that would benefit the producers from the South. Due to various political and economic reasons in Latin America this failed to function. In 1964 during another UN conference new resolutions were passed which had to benefit the South; trade had to become fairer. The strategy to make trade fairer focused on two demands. First; the rich nations of the North had to weaken their protectionist policies. Second; the south demanded financial aid from the IMF (Fridell 2004:413-414).

According to Fridell, this Fair Trade movement has influenced the Fair Trade network significantly. The first Fair Trade networks can be traced back in the 1940s and 1950s when Christian NGOs began selling handicrafts from impoverished artisans of the South. This was followed in 1969 by opening the first Fair Trade world shop in the Netherlands. During the 1970s and 1980s Fair Trade networks grew steadily in particular after 1973 when the *Fair Trade Organisatie* first introduced coffee into Fair Trade markets in Europe (Fridell 2004:417). In the late 1980s the goals of the Fair Trade network changed. First was the attempt to forge a new alternative market for Fair Trade products, but this market remained too small and the products were often of poor quality and thus not sustainable. Therefore Fair Traders wanted to gain access to the conventional commodities market; it had to be available in supermarkets. The Max Havelaar foundation was founded in 1988 in the Netherlands and had an important role in acquiring access to the conventional commodities market. They developed three Fair Trade labels² for coffee, other products followed soon; to assure customers that buying the coffee benefits the poor South. Max Havelaar does not buy or sell coffee but the foundation places organized, registered groups of producers in contact with coffee roasters who make a commitment to respect the purchase conditions (Renard 1999:496).

To use a Fair Trade label on their product coffee importers must; (1) buy directly from approved coffee grower organizations using purchasing agreements which extend beyond one harvest cycle; (2) guarantee the Fair Trade Labeling Organizations International (FLO) floor price (in August 2010, US\$ 1.40 per pound for Arabica coffee) or the market price if higher, pay an additional US\$ 0.30 per pound for coffee certified as organic, and pay a social premium valued at US\$0.20 per pound; and (3) offer pre-financing equal to 60 percent of the contract value. Selling coffee in a Fair Trade network is not possible for every farmer. Fair Trade coffee growers must; (1) be small farmers; (2) be organized in democratic organizations which they own and govern; (3) follow environmental standards that restrict the use of agrochemicals and encourage sustainability and (4) not use forced or child labor (Raynolds et al 2004:1111, Renard 2003:90, FLO 2011³). Currently there are 19 Fair Trade Labeling initiatives covering 23 countries in Europe, North America, Japan, Australia and New Zealand. All the contemporary Fair Trade labels are coordinated under the umbrella organization FLO. A Fair Trade label for coffee guarantees that it has been purchased directly from small producers at a Fair price as a consequence roasters pay a higher price for the coffee purchase and the customer as well in the supermarket. Because of the higher price earns the coffee grower more and either their producer organization, with that money they can develop their communities in social and physical manners such

² Max Havelaar; TransFair; and Fair Trade Federation

³ <http://www.Fairtrade.net/coffee.html>

as hospitals, schools, roads and everything that improves the production process. Coffee was the first Fair Trade labeled product and is still the most important Fair Trade product (Raynolds et al 2004:1110).

Fair Trade aims for reducing poverty through sustainable social, economic and environmental development (FLO 2011). So what is poverty? According to the Organization for Economic Co-operation and Development (OECD) poverty consists of five core dimensions which all affect each other. First, the economic dimension which refers to the ability to earn an income, to consume and to have assets which are all key to food security, material well-being and social status. Second, the human dimension which refers to health, education, nutrition, clean water and shelter. Third, the political dimension which refers to human rights, a voice and some influence over public and political priorities. The fourth dimension is the socio-cultural which refers to social status, dignity and other cultural conditions for belonging to a society which are highly valued by the poor themselves. The last is the protective dimension which refers to the capability of people to withstand economic and external shocks (OECD 2001:38). Those five core dimensions derive from the capabilities approach of Amartya Sen, the core concepts of his approach are functioning's and capabilities. With functioning refers Sen to an achievement of a person, what somebody manages to do or to be. It can be being in good health, being well-sheltered, moving freely or being educated. With capability he refers to the potential of a person that he or she can achieve various functioning's, it involves the persons freedom to choose between different ways of living (in Kuklys 2005:10). Fair Trade tries to affect all the five dimensions of OECD in direct and indirect ways. The requirement of Fair Trade to be organized in a democratic producer organization is an attempt to create capability and as well the social premium and minimum price to achieve the by Sen called functioning's.

Of course there is critique on Fair Trade. The big corporate coffee organizations argue that Fair Trade ignores the market forces of supply and demand by maintaining a minimum price, which in their eyes exacerbates the coffee crisis. They call the goals of Fair Trade compassionate but naïve. The 'big four'⁴ initially tried to ignore Fair Trade but due to the growth of it they feared for reducing profits. They had to respond on Fair Trade, thus they started with social projects as housing, health and education for their producers. But those projects aren't of the same standards as Fair Trade (Fridell, Hudson and Hudson 2008:16). Beside the 'big four' are scholars who present as well critique on Fair Trade. Harford (2012:244) states that the Fair Trade certification likely will improve the income of a few coffee growers but it will never make a substantial difference for the lives of millions. According to him there is simply too much coffee produced worldwide. Haight (2011:77-78) has many critical points on the application of Fair Trade. According to her is the quality of Fair Trade not that high as other special coffees, the Fair Trade coffee buyers use the floor price more as a ceiling price, the coffee growers do know more about the coffee price and how to negotiate with coffee buyers than two decades before, the coffee grower needs to register all their activities and costs, however, many can't even write their own name and the social premium of Fair Trade isn't used for building schools but for building nicer facilities of the cooperative or for extra staff. Because of all those points she calls Fair Trade 'an incomplete model'. DeMartino (2010:29) argues that Fair Trade is inadequate on its own to promote human development, therefore are new policy regimes needed that must be implemented alongside Fair Trade. A policy regime refers to a set of governing arrangements including network of rules, norms and procedures that regularize behavior and control its effects (Beyeler 2006:14). Those

⁴ The major coffee corporations are Nestlé, Sara Lee, Kraft, and Procter & Gamble [P&G]

policy regimes need to have a focus on human development, DeMartino (2010:29) states that it might bring more equality instead of neoliberal policies.

1.6 Social justice, social identity and social capital of Fair Trade coffee growers in Latin America

In the contemporary neoliberal era it is hard for small scale coffee growers to compete with large agricultural businesses and therewith to survive. Hence privileges Fair Trade small scale growers and as well the environment (Lyon and Moberg 2010:4). In short: Fair Trade is used in the pursuit of social justice. According to several scholars has the Fair Trade certification the strongest standards of social justice among other certifications like UTZ and Organic (Vakila and Nygren 2010:321; Raynolds et al. 2007:152). Does social justice have influence on the social identity of the Fair Trade coffee grower? And what is the role of social capital in their social identity? According to Murray, Raynolds and Taylor (2006:188) identify members of producer organizations themselves often with their organization, with their local community, with their religious affiliations, and or with ethnic/indigenous links. Only a few see themselves as part of the worldwide Fair Trade movement. Cohen (1985:118) states that people construct their community symbolically; they make it a resource and repository of meaning and a referent of their identity. A community implies to a group of people who feel that they have something in common which distinguishes them from other groups. Thus the local community does have an important influence on the social identity of the Fair Trade coffee grower. In a classic paper of 1957 states Eric Wolf that peasants in the highlands of Mesoamerica are organized in closed corporate communities who strive to prevent outsiders from becoming members of their community and place limits on the ability of members to communicate with the larger society (Cancian 1989:134). Several scholars (Wasserstrom 1983; Favre 1973) disagree with Wolf and state that those peasant communities do not exist in isolation. It seems unlikely that producers of coffee, a worldwide consumed product, live in closed corporate communities, in particular Fair Trade coffee growers because the certification comes from outside the communities.

All the Fair Trade coffee producers are organized in cooperatives or other producer organizations. At the end of 2010 Latin America had 268 producer organizations with in total 191.900 members with a Fair Trade certificate for coffee (FLO 2011:56). Thus growing Fair Trade causes that the producers are a part of not only an imagined but a real group as well. Some organizations pretend to be indigenous or a mixture, others not at all. With the producer organizations have the Fair Trade grower's access and the opportunity to accumulate social capital. They are the strength and an important factor of the success of Fair Trade (Raynolds et al 2004:1115). Due to organizing the coffee producers can help each other with things such as education and labor but as well they create and maintain ties with corporate buyers, NGOs and other organizations. Thus using social capital to improve their situation because by themselves they only can achieve it with great difficulty. Despite that many coffee producing groups struggle with social and economic limitations of their members. Many producers have only been to school for a few years, often only speak basic Spanish and have limited understanding of international markets. This all summed up shows that it is likely that the Fair Trade coffee growers will identify with their producer organization and/or their community and that the latter most likely isn't a closed corporate community.

Larrain (2000:24) states that an identity is not a given innate essence but it is social process of construct. He suggests three elements of the construction of identity. First individuals identify themselves, often in terms of social shared categories like religion, profession, gender, class, ethnicity, sexuality and nationality. Second a material element, what is *me* and what is *mine*. The third element

is if there is a construction of the self there must be a *them*. The latter corresponds what Worchel (1998:2-3) calls social identity. It refers to the fact that the individual perceive themselves as similar to others of the same social group or category (*the we*), but social identity also refers to a difference, to a specificity of that we in connection with members of other groups or categories (*the them*). This makes that a social identity has two faces. From one perspective social identity is the group within the self and from the other perspective the self within the group (Brewer and Hewstone 2004:xi). With this in mind the social identity of the coffee growers depends if and how they perceive Fair Trade in the pursuit of social justice, how they perceive their producer organization and themselves as Fair Trade coffee grower.

1.7 Coffee and Fair Trade in Colombia

For many decades in the 20th century coffee has been the most important sector of the Colombian economy, nowadays nearly three million people depend on coffee (Giovannucci 2002: 12). Therefore not surprisingly is by many Colombians coffee perceived as a part of their national identity (Tucker 2004:60). Colombia is the third –largest⁵ coffee producer in the world and by far the largest producer of washed Arabica coffee (Giovannucci 2002:1). During the 1980s coffee lost importance in the Colombian economy due by neoliberal policies and the International Coffee Agreement (ICA). Since 1989 the ICA has not included economic clauses that would regulate the coffee market, with the result more volatile prices and overall lower prices from 1990s (Gionvannucci 2002:3). The more volatile and lower coffee prices made Colombian coffee growers more vulnerable and increased rural poverty (Alvarez 2010:101).

James Parsons (cited in Christie 1978:260) wrote in 1967 about the coffee growers in Colombia of the nineteenth century that they are proud, free and independent spirit of self determination and that they were different than the traditional Latin American smallholders. Parsons observed differences between the closed corporate communities and the coffee growers. In the beginning of the twentieth century grew the number of the small scale growers and nowadays is the coffee production of Colombia in numbers dominated by small scale growers, the average of land is 1,4 hectares. Of the around 570.000 coffee growers are approximately 300.000 small scale growers (Tucker 2010:60). Which often are organized in producer groups already since the beginning of the twentieth century in order to defend their shared interests. In most cases are the Colombian coffee growers organized in cooperatives. It is the only form of business organization in which ownership, control and beneficiary is in the hands of the users (USDA 2002:1). Thus the coffee growers are the owners, control and benefit from their cooperative. It caused that small scale growers in Colombia could compete against the large scale growers. Besides that to survive had the small scale growers in comparison to large scale growers a number of advantages, which they used for their persistence as national laws changed to facilitate expansion of large scale growers in the last half of the twentieth century. The small scale growers not only planted coffee but as well a variety of other food what gave them a better resilience to the volatile coffee price. As well family owned productions could keep their labor cost lower with family labor. And they offered often good quality because with small scale farming it is easier to look after the coffee plants (Tucker 2010:60-61). Nevertheless the small scale coffee growers could not escape poverty and remained marginalized. Especially in the 1990s due to a coffee crisis and the neoliberal policy it became difficult for coffee growers to survive.

⁵ The largest coffee producer is Brazil followed by Vietnam

In 1995 the Colombian government started to implement the MLAR in order to support the marginalized coffee producers due to neoliberal policy and the ICA. But the program was closed down in 2003 because it was completely taken over by the non-poor and elites. Due to the demand-driven approach, a too high income ceiling of the program remained land prices high and only within reach for the wealthier population. As well the poor farmers did not have the experience with negotiation and had problems with the paperwork (Lahiff et al 2007:1427, Borras 2003:381-383).

To protect the shared interest of the coffee growers started a small group of coffee growers already in 1927 the National Federation of Coffee growers (FNC). The FNC was founded for development of the industry and the well being of the coffee growers. Thirteen years later in 1940 they founded the National Coffee Fund (Fondo Cafetero Nacional) to support the coffee growers better. Of every pound that leaves Colombia goes six dollar cents to the coffee fund. With that money they build schools, roads, waterways, electricity and more for the coffee growers. To improve the price and sales of Colombian coffee invented the FNC in 1981 the fictional figure Juan Valdez (Tucker 2010:60; Alvarez 2010:103). Since the foundation of the FNC they play an important role in developing the Colombian coffee export, marketing policies, and social and physical infrastructure (Fridell 2007:152).

In 1988, a year before the deregulation of the coffee price, Max Havelaar introduced the Fair Trade label for coffee and with it a fixed coffee price for their producers. It was not Colombia but Mexico who was the first country who produced coffee certified with the Fair Trade label. Soon many Colombian producer organizations followed. For them is Fair Trade is a way to escape poverty and improve their livelihoods. In the last two decades many Colombian producer groups began to produce according to the Fair Trade values. Currently 47 producer organizations produce Fair Trade coffee in Colombia and they can together produce 94.400 metric tonnes of coffee (FLO 2011:57). Due to coffee's importance, especially among rural population, can a price crisis make the lives of the Colombian coffee growers very difficult (Giovannucci 2002:5). Fair Trade can be for the coffee growers be a big support because the program has a minimum price.

This all summarized shows that coffee has a big importance in the Colombian economy and society. It is dominated by small scale coffee growers and in the paragraphs above can be read that they often couldn't benefit from neo liberal policies. Fair Trade attempts with their 'trade not aid' strategy to improve their situations. Due to the process of globalization are the Fair Trade initiatives increasing worldwide so as well in Colombia. However it seems that in Colombia the small scale coffee growers are not completely left to themselves. The FNC is organized to improve the situation both socially and economically for the Colombian coffee growers, so the question comes up what role can Fair Trade play in that development. In the following chapters are based on empirical data of sixteen weeks of fieldwork in the coffee community of Marsella. In those chapters can be read what role Fair Trade plays in economic and social improvement of the Fair Trade coffee growers.

2 The Fair Trade producer organization: CafiMarsella

One of the requirements for the producers of Fair Trade coffee is to organize themselves in a democratic producer organization. In Colombia did already exist those democratic organizations before Fair Trade in the form of cooperatives. The country has many cooperatives in different areas from healthcare to transport hence as well for coffee producers. At the moment has Colombia 34 *cooperativas* with 540 local purchase points⁶ who are ratified by the *Federación Nacional de Cafeteros* (FNC). Besides those *cooperativas* exit as well some coffee *cooperativas* who aren't ratified by the FNC, one of them was CafiMarsella but in 2012 they retrieved the ratification. This *cooperativa* is situated in municipality of Marsella in the town with the same name and is certified with Fair Trade. In this chapter is elaborated about the foundation, structure, function and benefits of being an associate of CafiMarsella.

2.1 Foundation of CafiMarsella

In 1987 decided a group of around 100 coffee growers (*cafeteros*) to found their own *cooperativa* in Marsella. At that time only the *cooperativa* of Pereira existed in Marsella but many *cafeteros* weren't satisfied with that *cooperativa*. They assumed that they could get a better price for their coffee and as well they felt like that they as *Marselleses* needed to have their own *cooperativa*. Thus a group of *cafeteros* united to improve the situation for themselves by founding a *cooperativa*: CafiMarsella. All the *cafeteros* who wanted to associate themselves had to pay 10.000 pesos (exchange rate 1987: \$1 = 262 Colombian pesos) to create a financial base to get started. With a budget around a million Colombian pesos started CafiMarsella to buy coffee from their associates. Besides buying coffee for the best price from their associates the *cooperativa* wanted to offer benefits like paying for funerals and offering credits. In the first years after the foundation CafiMarsella couldn't offer a lot of benefits. In the beginning CafiMarsella only paid the funeral for their associates and had a shop for products. After a few years the generated some financial capital and they could offer more services like the life insurance, credits for fertilizers and fumigators and training courses. It took five years till the *Cooperativa de Caficultores de Marsella* (CafiMarsella) got *aval* from the *Federación Nacional de Cafeteros* (FNC). *Aval* means that the *cooperativa* has its finances in order and therefore is ratified by the FNC. In return the FNC buys all the coffee of the *cooperativa* for a right and justified price⁷ and as well the FNC offers support. That support can be several things for the *cooperativa* for example: trainings for *cafeteros* to improve the production and quality. Thus in 1992 CafiMarsella was ratified by the FNC and could fully functioning according to their mission. The mission of CafiMarsella is facilitating commercialization of coffee and regulating the market to get the best price for their associates.

2.2 Structure of CafiMarsella

The number of employees of CafiMarsella depends on the amount of coffee that is sold by associates to the *cooperativa*. Like many residents of Marsella say:

'When there is coffee, everything moves'.

The residents refer to the harvest period from September to December when there is a lot of coffee to be sold that causes a lot of business in town. It causes that CafiMarsella needs more employees for

⁶ http://www.federaciondecafeteros.org/particulares/es/quienes_somos/fnc_en_cifras-1/, July 2012

⁷ http://www.federaciondecafeteros.org/particulares/es/quienes_somos/fnc_en_cifras-1/

succeeding all the work. During the research period there wasn't a lot of coffee thus less people worked at CafiMarsella. From February till March had CafiMarsella six full-time employees and from March to June five full-time employees. The staff consists of; first the *gerente* he is the boss who is responsible for the policy of CafiMarsella. He takes the decisions in for the policy. He is in charge of selling the coffee to companies, makes economic plans, arranges meetings to convince people to become a member of CafiMarsella and he manages the personal at the *cooperativa*. For example, in March 2012 ended a contract of an employee who was in charge of buying the coffee. Due to the quantity of coffee that is coming in right now the *gerente* decided to not extend her contract. The contemporary *gerente* who is in his function for almost two years has made changes in the number of people who work at CafiMarsella. According to him had the *cooperativa* too much persons employed. The *gerente* said about it:

'Many people who worked here only drunk coffee and talked, so very unproductive and expensive'⁸

So he cut back in personal costs since he became *gerente*. A few years ago CafiMarsella had ten to fifteen employees but nowadays only five. Alongside the *gerente* works a female employee who is in charge of the environmental assistance for the *cafeteros* and she is as well the coordinator of Fair Trade. She works just a year for CafiMarsella. Another female employee is in charge is of the finances of the *cooperativa*. A recently graduated student is responsible for buying the coffee at the *cooperativa*. She checks the quality of the coffee, does the paperwork and pays the *cafetero* for his coffee. The last employee that works full time works in the store of CafiMarsella. In the store they offer products for *cafeteros* from buckets, machetes to fertilizers. Besides the five full timers CafiMarsella has two employees who work part-time. There is a *cotero* (coffee carrier) a man who carries the coffee from the truck or jeep to the deposit. And the other part-timer works now and then in the store of CafiMarsella. All the employees of CafiMarsella come from *cafetero* families and with only the exception of the *gerente* residents of Marsella. The *gerente* was born and raised in Marsella but now lives in city nearby, nevertheless he is still an owner of a coffee farm in Marsella and he still calls himself a *cafetero*.

According to the United States Department of Agriculture (USDA 2002:1) can any business organization be defined in terms of three basic interests: ownership, control and beneficiary. Only in the cooperative are all three directly in the hands of the user. The user is the one who owns the cooperative, the user is the one who controls the cooperative and the user is the one who benefits from the cooperative. In the case of CafiMarsella take the *Junta consejo de administrativa* (board of directors) and the *Junta de vigilancia* (supervisory board) care that the associates (the user) are the owners of, have control over and benefit from CafiMarsella. The *Junta consejo de administrativa* consists of five *cafeteros* who are concerned with the policy of CafiMarsella. They represent the *cafeteros* in the *cooperativa* and assist the *gerente* with advice and recommendations for the policy. This to make sure that the policy of CafiMarsella benefits the associates. Another task of this *Junta* is that they choose the *gerente*, but still they need approval of the associates. This is done by vote. The *Junta vigilancia* consists of two persons and they are responsible for monitoring the finances and regulation of CafiMarsella. Both *Juntas* are formed by associated *cafeteros* and chosen by their fellow associated *cafeteros*. Every two years there are elections for those functions. Associates nominate the

⁸ Interview, 18-04-2012

persons who are in their eyes capable for those functions. Once a year CafiMarsella organizes a general assembly in which proposals are made and decisions are taken for the policy and in certain years the *juntas* are formed. It is the most important contact moment of CafiMarsella and the *juntas* with their associates. Proposals are made about the policy and in certain years as well representatives for the *juntas* are chosen. In this manner are ownership, control and beneficiary in hands of the associates of CafiMarsella.

2.3 CafiMarsella and Fair Trade

Since three years is *CafiMarsella* certified with the Fair Trade certification. According to a former *junta consejo de administrativa* member of CafiMarsella they choose Fair Trade instead of another certification (e.g. rainforest alliance or UTZ) because of the minimum price that the program guarantees. He said:

‘The task of a *cooperativa* is to get the best price for their associates and the Fair Trade certificate does that.’⁹

The former board of CafiMarsella chose Fair Trade instead of other coffee certificates because of the minimum price. Some scholars (Vakila and Nygren 2010:321; Raynolds et al. 2007:152/155) state that the Fair Trade certification has the strongest standards of social justice among other certifications and they not merely mean the minimum price. But people in Marsella who have knowledge about the coffee certifications mention often that the minimum price of Fair Trade the only thing is in which Fair Trade distinguishes itself from the other certifications. But Fair Trade distinguishes itself with more, namely the social premium, need of being organized in a democratic organization and the more extensive ecological part (Raynolds et al 2007:155). Many do not realize that in Marsella.

The process to become Fair Trade certified was a long process for CafiMarsella; it took five to six years before CafiMarsella received the certification¹⁰. The former board of CafiMarsella got to know the certification due to national meetings of coffee *cooperativas* in Colombia. Other *cooperativas* told in that meetings about their experiences of Fair Trade and CafiMarsella got interested. The process took that long because the former board had first to inform themselves to decide if they wanted to propose the certification to their associates. Thereafter the associates got informed about Fair Trade so they could decide if they wanted the certification. When the associates decided that they wanted the certification the implementation process started. It entailed many meetings and trainings for the associated *cafeteros*. People of the Fair Trade labeling organization came to Marsella for meetings and training but as well people of the FNC and the local government helped with the implementation. They explained with meetings, trainings and visits at the *fincas* about how to adjust the production process to the requirements of Fair Trade. According to a man who assisted with the implementation of Fair Trade are the high age and low education levels of the *cafeteros* an important factor in the reason that the process took very long. He said:

⁹ Interview, 05-03-2012

¹⁰ Interviews with former *junta* member and *gerente*, 05-03-2012 and 18-04-2012

‘The problem with implementing Fair Trade here is the culture; many *cafeteros* are for many years *cafeteros* and have their own way of working. They don’t like to change things that they are doing for many years’¹¹

Despite the long implementation period and the now three years of being certified with Fair Trade the certification isn’t well known in Marsella. The associates know Fair Trade mainly by the acronym FLO (Fair Trade Labeling Organization) but often don’t have a clue what that acronym means. Neither do all the associates completely know what the requirements of Fair Trade are. They don’t have the conscience that FLO has the aim to create a sustainable development and making the coffee trade fairer for the producers.

‘Colombians are bad students, they only learn to pass an exam and afterwards they forget what they learned’¹²

This statement by a former employee of CafiMarsella shows that many *cafeteros* know little about Fair Trade. Many family members of associated *cafeteros* and non associated *cafeteros* often don’t know anything about Fair Trade. They think that FLO comes from and/or means *floreecer* (Spanish word for flourish). Nevertheless according to the contemporary gerente of CafiMarsella has Fair Trade changed culture of the *cafeteros*¹³. With that he means that the *cafeteros* less contaminate the soil and producing a better quality.

To maintain the Fair Trade certification there is a yearly audit of CafiMarsella carried out by a representative of the organization of Fair Trade. The audit entails a control of the books at CafiMarsella and a visit of five randomly picked *fincas* (properties) of *cafeteros* to control if they fulfilled the requirements of Fair Trade. With the audit in 2011 had CafiMarsella eighteen deficiencies, in 2012 they had twelve. After the audit have the *cafeteros* three months to correct their deficiencies. The deficiencies are definitely not desired by CafiMarsella because an audit costs around 6 million pesos. If CafiMarsella has five or less deficiencies then there isn’t the next year an audit. Thus CafiMarsella endeavor with visits of their coordinator of Fair Trade to make yearly many visits to avoid deficiencies. Nevertheless it doesn’t happens as much as she wants, this due to her other tasks at CafiMarsella.

2.4 Why and how to associate with CafiMarsella?

As earlier mentioned is the cooperative the only business organizations in which are ownership, control and beneficiary in hands of the associates. Already is elaborated how the associates of CafiMarsella are the owner and how they control their *cooperativa*. In this paragraph is described how the associates are the beneficiary of CafiMarsella. First I begin why *cafeteros* associate and further how they can become an associate.

CafiMarsella has different services and benefits for their associates. First, CafiMarsella buys the coffee of the *cafeteros* and they try to get the best price for its associates. Second, CafiMarsella pays 50% of a medical consult for the associate. Third, CafiMarsella offers a funeral service for associates and their partner and children under eighteen years. The associate can decide what kind of funeral he or she wants and the *cooperativa* pays completely. Fourth, CafiMarsella offers the possibility to buy on

¹¹ Informal conversation, 23-05-2012

¹² Informal conversation, 16-04-2012

¹³ Interview, 18-04-2012

credit in their store for fertilizers and fumigating products. It means 45 days without interest and from then on an interest of 1,5%. Fifth, trainings in which the *cafetero* learns how he can improve his production in quality and quantity. For example: CafiMarsella organizes *Dias Del Campo* (field days) in which they invite companies who offer products that can improve the production of the associates. Sixth, CafiMarsella has a free deposit service; *cafeteros* can store their coffee at the *cooperativa* to wait for a better price. Seventh, CafiMarsella offers a life security insurance. If an associate or spouse dies the family receives an amount around three million pesos (+/- \$ 1.600) and possible some more money if they saved at CafiMarsella. The associate can decide how to share-out the money. The last service that CafiMarsella offers is the possibility for associates to save money at the *cooperativa*. For example: the *cafetero* can choose that he saves a small amount of money every time when he sells coffee to the *cooperativa*. CafiMarsella can afford all this services and benefits due to the coffee trade and the yearly contribution of the associates of 15.000 peso.

The services and benefits above mentioned accrue solely to associates of CafiMarsella. It is a principle of a cooperative. That's why *cafeteros* associate themselves with CafiMarsella; to improve their situation. *Cafeteros*, who aren't associates, barely benefit from CafiMarsella. But there is one thing of which every *cafetero* in Marsella benefits, it is the regulation of the coffee price that CafiMarsella does. About the necessity of a *cooperativa* said a *junta* member of CafiMarsella:

'Without the *cooperativa* it is party time for privately owned coffee buyers, then they can do what they want'¹⁴

According to many *cafeteros* is the price that CafiMarsella set leading for other coffee buyers in Marsella. They think that privately owned coffee buyers adjust their price to the price of CafiMarsella. Nevertheless two coffee buyers from Marsella denied that¹⁵, they said that their price is set in agreement with the exporter. But they admitted that they keep an eye on the price of CafiMarsella. Without any doubt has CafiMarsella influence on the coffee price in Marsella because they intent to offer the best coffee price. If privately owned coffee buyers would offer much lower prices it is very likely that all the *cafeteros* would sell to CafiMarsella. Thus the price of privately owned coffee buyers won't differ extremely in a positive or negative way from the price of CafiMarsella because that will be devastating for their business. Not surprisingly there is no agreement between *cafeteros* of who pays better for their coffee; CafiMarsella or a privately owned coffee buyer. But very likely causes the presence of CafiMarsella a positive effect on the coffee price for both associated as well non-associated *cafeteros*. Besides the influence on the coffee price aren't things of which non-associates benefit from. The FNC is responsible for improvements of a *cafetero* community. The FNC has in coffee producing municipals departments with representatives that form the *Comite Municipal de Cafeteros*. The FNC tries with those *comites* to support the *cafeteros* in several ways, all for the benefit of coffee production. They build schools, roads, aqueducts and other things that benefit the coffee communities. The employees who work for the FNC are called therefore *extensionistas* (translation: extenders). They help the *cafeteros* with their production process with recommendations, the give loans and observe if it's needed to build schools, roads, or aqueducts and other things.

Being an associate of CafiMarsella is useful for a *cafetero*. So how can a *cafetero* associate himself with CafiMarsella? Everybody who has a farm in Marsella and cultivates coffee can be a

¹⁴ Interview, 14-03-2012

¹⁵ Informal conversations, 16-04-2012 and 11-05-2012

member of CafiMarsella. There are only two requirements; a *cedula cafetera* (a coffee farmer identity card) and an entrance fee of 180.000 pesos. The *cedula cafetera* is easy to obtain, if you produce coffee you need to contact the *Comite* of your municipal and they will come by to ratify that you produce coffee and they will register you without costs. In the municipal of Marsella are 1.226 coffee producers of whom having 979 a *cedula cafetera*¹⁶ and 282 are associates of CafiMarsella¹⁷. Thus 23% of the coffee producers in Marsella are associates of CafiMarsella. The majority of them are small scale producers with one to three hectare but CafiMarsella has as some associates who are large scale coffee producers. The latter weren't the focus of this research but it is necessary to mention that CafiMarsella not only exists of small scale producers. A *cafetero* and former staff member of CafiMarsella said about it:

'You could see it as a pyramid, in the top a few big producers and beneath the majority of small producers. The larger producers help the smaller producers'¹⁸

He refers to the fact that CafiMarsella can earn more money if they sell more coffee and if they have as well larger producers as associates they have more coffee to sell. With those earnings they can offer their associates better and more services and benefits.

The Fair Trade requirements are not an obstacle to become an associate of CafiMarsella. After registering CafiMarsella gives a period of six months to meet the requirements of FLO. The new associate gets trainings from an instructor from the SENA (National Learning Service) to learn about the program and the coordinator of the Fair Trade of CafiMarsella comes by the farm to teach about the requirements. After those six months will some representatives of CafiMarsella come by the *finca* to audit if it meets the Fair Trade requirements. If everything is in order the *cafetero* can sell his coffee to CafiMarsella with the Fair Trade label. If not the associate becomes *inhábil* (inactive/suspended) and can't temporally sell with the Fair Trade label.

If a *finca* meets the requirements of Fair Trade it doesn't guarantee that the produced coffee can be sold to CafiMarsella with the Fair Trade certification. Fulfilling the requirements at the *finca* creates the conditions to produce a quality that meets requirements but it can't guarantee that 100% of the production has that quality. It is because the production of coffee is influenced by many things like sunlight, rain, plagues, fertilizers and fumigators.

Besides not meeting the Fair Trade requirements are there other things that can cause that an associate becomes *inhábil*. If an associate doesn't sell 25% of the production to CafiMarsella he becomes *inhábil*. The *Comite De Cafeteros* in Marsella has the information of what the *cafeteros* can produce yearly so they can estimate what 25% is. It is an estimate because the production of a coffee tree depends on many things. When the associate not sells the set percentage of coffee to CafiMarsella or has debts at the store of CafiMarsella or the *finca* doesn't meet the Fair Trade requirements the associate will become *inhábil*. It causes that the associate loses influence in the policy of CafiMarsella and can't, temporarily, make use of the benefits and services. Noteworthy is that currently the obligation of selling 25% of the production to CafiMarsella not is monitored. In the next

¹⁶ Data from *Comite Del Caficultores* of Marsella May 2012

¹⁷ Data from CafiMarsella, May 2012

¹⁸ Interview, 05-03-2012

paragraph you can read more about why currently that isn't controlled needed therefore is information about the current situation.

2.5 Current situation

At the moment is the image of CafiMarsella in Marsella not very positive. In 2010 occurred two problems that influenced the perception of the residents of Marsella about CafiMarsella. First there disappeared a big amount of money, on the streets there is a lot of gossip about the amount but according to the *gerente* is it 1.120 million pesos¹⁹ (more than \$ 600.000). In the beginning of 2012 is the *gerente* with the *junta de consejo de administracion* busy with retrieving that money. According to a member of the *junta* didn't disappear that money, he said:

'It went as credits to *cafeteros*, among them many non associates, and it never returned. The old board of the *cooperativa* managed the finances very bad'.²⁰

The rumors are that the financial administrator gave the money to a investor with connections with the mafia. The man with the mafia connections was murdered and not long after committed the financial administrator suicide. And with those deaths disappeared the money forever is the perception of many. But the *gerente* and the *juntas* found out that the money didn't disappear, they suppose that they can find the money back. The *gerente* said with confidence:

'The books need to be investigated to find the money, a lot went as credits to *cafeteros* and they never returned the money. The old board was alright with that'.²¹

A big part of the financial capital of CafiMarsella and as well savings of many *cafeteros* disappeared; some savings of more than ten years. With those savings could CafiMarsella offer services and benefits and the *cafeteros* create a capital for themselves. Not surprisingly many *cafeteros* and other Marselleses lost confidence in CafiMarsella. They think their money is safer in their own pockets. Therefore at the moment CafiMarsella doesn't offer the possibility to save money, but the plan is to do it again after having the finances in order. Despite the problems only three associates left CafiMarsella since 2010²², but there is as well a group of *cafeteros* that is still associated but doesn't sell their coffee to CafiMarsella anymore.

The second problem that occurred in the same year was with the program of *cosecha futura* (future harvest). To help the *cafeteros* with money before harvesting the program *cosecha futura* was set up. So *cafeteros* could buy fertilizers and fumigators to get a better change to a good harvest. There were contracts set up for 70.000 Colombian Peso for an arroba (12,5 kilo dry coffee), but at the time of the harvest the price of coffee rose to 100.000 Colombian Peso. Not surprisingly were the *cafeteros* very disappointed in CafiMarsella. Because the ones whom have to help them to get the best price gave them now the worst price. However this problem didn't affect all the associates, only *cafeteros* some who wanted or needed money before the harvest.

¹⁹ Interview, 18-04-2012

²⁰ Interview, 27-03-2012

²¹ Interview, 18-04-2012

²² Interview, 18-03-2012

Due to the problems *CafiMarsella* lost confidence in Marsella with both: associates and non-associates. It is the reason for *CafiMarsella* to not be very strict for their associates about the minimum selling percentage of 25% of their production.

‘Due to the problems we are not in a position to demand that from our associates, first we need to retrieve the confidence of our associates’²³

This was said by an employee of *CafiMarsella*. But if you have unpaid debts at *CafiMarsella* you still become *inhábil*. For example a female *cafetero* in Marsella was not invited for the general assembly of *CafiMarsella*. She is renovating her coffee trees because two years ago she had problems with the *roya* (leaf rust) plague. *Roya* is a disease that causes problems with the photosynthesis with result that the leaves of the tree fall and can decrease the coffee production with 50%. *CafiMarsella* told another story; due to unpaid debt she wasn’t invited. Not having production due to plagues and or renovation doesn’t make an associate *inhábil* according to a *Junta* member²⁴.

Not only the confidence of the *cafeteros* lost *CafiMarsella* due to the problems but as well the *aval* of the FNC. This is support of the FNC in financial ways and with trainings for *cafeteros*. The *aval* could be a great help for *CafiMarsella* to achieve their mission; regulate the coffee price and get the best price for their associates. All the problems resulted in a renovation of the staff of *CafiMarsella*. With the new staff and the *juntas* they have the task to win back the confidence of the associates. This isn’t an insurmountable task because nevertheless the problems many associates do not merely speak negative about *CafiMarsella*. They say that before the problems *CafiMarsella* functioned very well, and expect that it will be like that in the future. The first step in that direction is achieved in June 2012; after many meetings and negotiations with the FNC could *CafiMarsella* reclaims the *aval*.

However many associates state that *CafiMarsella* functioned very well for many years and that they are positive about the future, the problems surely did have their impact. The first years of being Fair Trade certified were accompanied with the problems and may had their influence on the social en economic development. In the next chapter are the perceptions described of the associates of *CafiMarsella* about the social en economic improvements.

²³ Interview, 22-03-2012

²⁴ Interview, 14-03-2012

3 Economic and social improvement due to Fair Trade

Fair Trade aims for reducing poverty through sustainable social, economic and environmental development (FLO 2011). Since 2009 is CafiMarsella certified with Fair Trade. In this chapter is elaborated what the perceptions of associated *cafeteros* of CafiMarsella are about economic and social improvement in their lives. This chapter is concluded with a paragraph about if Fair Trade *cafeteros* in Marsella life in poverty according to the five dimensions of OECD (2001:38); the economic, human, political, socio-cultural and protective dimension.

3.1 Economic improvement due to Fair Trade

For coffee producers there exist several sustainable development certifications but Fair Trade is the only certification which has a minimum price. With the minimum price Fair Trade aims to help producers to cover their costs of sustainable production. Besides the minimum price has Fair Trade a social premium, it is paid by the ones who buy the Fair Trade coffee from CafiMarsella. This money is for the producers to invest in improving quality of their lives. The social premium can they use for improve the situation for the *cafeteros*, workers, and the local community in health, education, environment, economy etc.²⁵ The *cafeteros* can decide for themselves how to use the premium as long it is democratically decided within the associates of CafiMarsella. In the following paragraphs is elaborated what the perceptions are of *cafeteros* about the influence of Fair Trade on their income, perceptions about the Fair Trade premium, perceptions about the minimum price and how Fair Trade reduces poverty.

3.1.1 Fair Trade and the income of the *cafetero*

The associated *cafeteros* of CafiMarsella can earn more money by selling their coffee with the Fair Trade certification. In the period from February to June 2012 was the price of Fair Trade coffee always between 2.000 to 3.000 Colombian pesos more per arroba (12,5 kg). This implies +/- US\$ 0,90 to US\$ 1,40 per 12,5 kilograms *pergamino seco* (dried coffee without pulp) more than the regular coffee price. Thus producing Fair Trade coffee can be profitable. If a *cafetero* wants to sell his coffee with the Fair Trade certification a factor 89 is required. Factor 89 means that 89 kilos of *pergamino seco* is needed to fill a bag of 70 kilos of coffee beans. The 19 kilos that disappeared is the scale that is still around the coffee bean after removing the pulp and drying. In Marsella remove the *cafeteros* the pulp of the coffee fruit, wash the bean and then dry it; what remains is coffee beans with a thin scale and is called *pergamino seco* or in English dry parchment. The name derives from the scale that looks like parchment. The average factor that *cafeteros* in Marsella produce is around factor 92,5. It means 92,5 kilograms of *pergamino seco* is needed for a bag of 70 kilos coffee. That's why producing factor 89 requires an effort of the *cafetero*. The most important thing to reach factor 89 is what the *cafeteros* call '*administrar bien*'. They refer to keeping the washing tanks clean, storage place clean, not using products that contaminate the environment, pick the fruits on the right time, classification of the fruits, depulp the fruits within 8 hours, wash the beans with clean water, 14 hours of fermentation and control over the drying process. Those are requirements of Fair Trade and create the conditions to produce factor 89. So the improvement of quality is very important for the *cafeteros* if they want sell their coffee for a higher price and for CafiMarsella if they want to receive the social premium. From an economic perspective is it logical that Fair Trade requires a higher quality because the coffee buyers

²⁵ http://www.Fairtrade.net/aims_of_Fairtrade_standards.html (July, 2012)

and consumers are more inclined to spend more money for better quality than for regular or even bad quality.

During the implementation period the *cafeteros* received education about what is required and how to create the conditions for producing factor 89. But as mentioned earlier it isn't a guarantee through several natural factors and the use of fertilizers and fumigators have influence on the quality of the coffee. According many *cafeteros* is it not very difficult to reach factor 89, but according to employees of CafiMarsella and the *extensionistas* of the FNC it isn't that easy. '*El manejo de cafe*' (the treatment of coffee) and '*administrar bien*' are very important and the not controllable natural influences make it sometimes difficult.

As explained above do the *cafeteros* need to produce factor 89 if they want to receive a better price for their coffee. How do the *cafeteros* perceive this? Do they have the perception that producing Fair Trade coffee and receiving some more money increases their income and livelihood? Giving an unambiguous answer is difficult because the perceptions of the *cafeteros* about economic improvement vary and even they sometimes contradict themselves. For example a *cafetero* who is in his fifties mentioned that he is happy with the Fair Trade certification because they pay better for his coffee so he earns more and he said that producing the Fair Trade quality doesn't bring extra costs but on the other hand he denies that it improves his livelihood²⁶. Beside this man some more *cafeteros* said the same: pleased with the higher price, don't perceive higher production costs but deny improvement in livelihood. Some *cafeteros* do perceive some improvement but very little, a *cafetero* said:

'The extra 500 or 1.000 pesos is a little bit more but not enough for a substantial improvement in my livelihood'²⁷

This *cafetero* cultivates like many other Marselleeses beside coffee as well bananas. For him help those bananas more than the extra money from Fair Trade. Worth mentioning is that he mentioned other amounts of money that Fair Trade pays extra than was the case in the period from February to June 2012. Many *cafeteros* do not know what the Fair Trade price is and some *cafeteros* even do not know that Fair Trade pays more. Thus some *cafeteros* do not even know that they can earn more with Fair Trade. Nonetheless the majority knows that Fair Trade pays more. It is not completely surprising that perceptions about the height of the Fair Trade price often are different because it changes from time to time but according to the *gerente* it is mostly between 2.000 and 3.000 pesos extra per arroba²⁸. As well there are a few *cafeteros* who perceive that they not benefit in a direct economic manner from selling coffee with the Fair Trade certification but only in an indirect manner. A *cafetero* said:

'The misunderstanding of many *cafeteros* is that they receive the social premium individual directly by selling the coffee. That's why some *cafeteros* don't think Fair Trade improves the situation'²⁹

This *cafetero* is well informed about Fair Trade unlike many others. Necessary to mention is that this *cafetero* is active in the *junta de consejo administrativa*, thus closely related with the policy of

²⁶ Interview, 05-03-2012

²⁷ Interview, 13-03-2012

²⁸ Informal conversation, 24-05-2012

²⁹ Interview, 14-03-2012

CafiMarsella. Beside those perceptions there also are *cafeteros* who say that their livelihood improves due to the higher price that Fair Trade gives for their coffee and neither have they perceived extra costs in production

It is clear that the associated *cafeteros* of CafiMarsella have different perceptions about economic improvement due to Fair Trade. Certain is that many *cafeteros* do know little about the Fair Trade certification. The *cafeteros* who know some about the certification say that Fair Trade is a *café especial* (special coffee) or say it is a *café de calidad* (quality coffee) that often pays a bit better. But in the perception of the most *cafeteros* is the slightly higher price not enough to make a -significant-difference in income. Thus they can't save money due to Fair Trade. Notable many *cafeteros* doesn't have a clear picture of their income and expenses. As reasons they mention the influence of nature in their production and the continue fluctuations in the coffee price why they can't say what they earn yearly. Often mention *cafeteros* that they are pleased with the Fair Trade certification because they offer a higher price than for regular coffee, nevertheless they often do not know how much more it is. Through this many can't say what the influence of Fair Trade exactly is on their income. According to the *gerente* of CafiMarsella is it part of the culture, he said:

'Here in Colombia isn't a culture of registering your income and expenses; they do it in their heads but not on paper'³⁰.

He has a point because *cafeteros* do not know their income neither costs due to Fair Trade. The *cafeteros* estimate their costs of production of an arroba often between 40.000 to 60.000 Colombian pesos, but can't say what the influence of Fair Trade is. The requirements of Fair Trade that create the conditions for producing a good quality cost according many *cafeteros* only a bit more time but not a lot. The most *cafeteros* mention that the requirements barely bring extra costs, often small adjustments or investments. For example: a *cafetero* had to build a storage room for his coffee according to the Fair Trade requirements. Said about why building the storage room wasn't costly for him:

'I only needed cement, thanks to god I've got guadua (type of bamboo) on my land'³¹

Only a few *cafeteros* said that Fair Trade bring extra costs in comparison with before the certification. But they don't know how much those costs are. Fair Trade tries to make a change in that, the *cafeteros* of CafiMarsella need to fill out schemas of their income and expenses. They need to register every hour they worked, every bought bag of fertilizer, every use of fertilizers and fumigators, every peso they received by selling coffee etc. Unfortunately many *cafeteros* do not make those registers. Like a *cafetero* of almost 80 years old who doesn't register anything. He said:

'Being a *cafetero* is always hard. Sometimes I have more money for *aguapanela* and bread, other days less'³².

He believes that it is useless to register costs and income because due to influence of the weather and the always chancing prices of coffee, fertilizers and fumigators it's no use. The uncertainty of not knowing what he earns and what his costs are sees he as a part of being a *cafetero*.

³⁰ Interview, 18-04-2012

³¹ Interview, 29-03-2012

³² Interview, 29-02-2012

To protect the *cafeteros* against a price crisis has Fair Trade a minimum price; it is a pillar of the Fair Trade program. With the minimum price Fair Trade aims to protect the *cafeteros* in case of a price crisis to cover at least their production costs. But the minimum price is like the higher price not well known by all the *cafeteros*, probably even less known. Only in the perception of some *cafeteros* helps Fair Trade to protect them against external shocks like a price crisis. Like earlier mentioned vary estimates of the costs of an arroba between 40.000 to 60.000 Colombian pesos. Fair Trade offers a minimum price of \$ 1,40 dollar for a pound, hence 2,80 for a kilo that makes for an arroba $12,5 * 2,80 =$ \$ 35,00, with a exchange rate of 1.780³³ makes that 62.300 Colombian pesos for an arroba. Thus if the estimates of the *cafeteros* are right it will cover the production costs. Nevertheless said one *cafetero*:

'The minimum price of 1,40 should be higher, because 1,40 is not enough to cover the costs',³⁴

But the truth is that many *cafeteros* not even know about the minimum price, hence they can't give an opinion about the height of the price. For protection against external shocks like earthquakes or other nature phenomena do the *cafeteros* not perceive and neither expect from protection of Fair Trade. But the *cafeteros* give often the impression that nobody is really helping them. They often mention that the FNC and the government need to help them against external shocks, like price crises and environmental disasters.

3.1.2 The Fair Trade social premium

Besides the minimum price is the social premium as well one of the pillars of Fair Trade. As mentioned in the introduction of this chapter is the social premium of Fair Trade is for improving the situation for the *cafeteros*, workers, and the local community in health, education, environment, economy etc.³⁵ This premium can be for the *cafeteros* of CafiMarsella a social improvement but for CafiMarsella self it is more an economic improvement. Therefore it is in this paragraph described as an economic development. For every pound of Fair Trade coffee that CafiMarsella sells to an exporter they receive \$0.20. The *cafeteros* have to decide democratically how they want to use the premium. In the case of CafiMarsella make the *gerente* with the *juntas* proposals and present those in the general assembly. There can the *cafeteros* vote if they agree or disagree with those proposals. Since the certification in 2009 received CafiMarsella until now two times the social premium of Fair Trade. Over 2009 they received around 6 million pesos, over the year 2010 around 10 million and expectation of 2011 is around 18 million³⁶. That money of the first year is used for paying half of the salary of the coordinator of Fair Trade at CafiMarsella, the audit of Fair Trade and for *dia del campo*. The social premium of the second year they used for the same thinks including construction of four chemical deposits at *fincas* of four poor *cafeteros*. With the money they are going to receive is CafiMarsella planning to do almost the same but not building chemical deposits but improving houses and trainings in what to do with *aguas mieles* (loosely translated: syrup water)³⁷.

The social premium is a pillar of the Fair Trade program, nevertheless not all associated *cafeteros* are aware of the existence. A small majority knows about the social premium but a big

³³ Exchange rate of 23-07-2012

³⁴ Interview, 14-03-2012

³⁵ http://www.Fairtrade.net/aims_of_Fairtrade_standards.html (July, 2012)

³⁶ Interview with gerente 18-04-2012 and interview with president of Junta de consejo administrativa 14-03-2012

³⁷ Interview, 18-03-2012

majority doesn't know what happens with that money. According to the *gerente* and the president of the *junta de consejo administrativa* is in the general assembly in March 2012 extensively spoken about the social premium. Nonetheless in the weeks after the assembly many of the *cafeteros* couldn't remember that. A *cafetero* said a few days after the assembly:

'Yes I visited the assembly, yeah was good (...) the social premium? Yes they spoke about it, they build something but I can't remember what'³⁸

According to the *gerente* and a member of the *junta consejo de administrativa* is in the future more possible with the social premium of FLO. There is a good possibility that because CafiMarsella is only three years certified with Fair Trade hardly anybody sees economic of material well-being improvement due to FLO. Last year sold CafiMarsella 22.275 kilo coffee with the Fair Trade certification. This year until half of April already a little bit more than 20.000 kilo. So the social premium of this year will be higher and more will be possible. But a big part of the money of the social premium went to the audit of Fair Trade and to the salary of the coordinator of Fair Trade at CafiMarsella. Not surprisingly are those things are not perceived by the associates as a direct improvement of their lives. But it can be an improvement in the longer term, because in a cooperative are the associates the beneficiaries and if the cooperative functions well the associates will benefit. Thus investing the money in a staff member and the audit will it be more likely to continue the Fair Trade certification with result a higher social premium which can be used for more visible or tangible things for the associates. To improve that need the *cafeteros* produce more coffee with factor 89 so CafiMarsella will receive more money of the social premium. Some *cafeteros* do understand that by selling more coffee to the cooperative with factor 89 would improve the situation but many do not have that understanding.

'At the assembly the *gerente* stressed that Fair Trade can help us if we produce more coffee for Fair Trade'³⁹

This was said by a *cafetero* after the assembly. Another *cafetero* can remember that they said something at the assembly about that they want to improve houses with the social premium. Possible he remembered only that part about the social premium because he has some problems with rotting timber of his house. He thought about his own concern but he couldn't remember that they build last year four chemical deposits for some of his fellow associates.

3.1.3 Fair Trade and position in trade

In Marsella are ten to fifteen different privately owned coffee buyers hence the competition for the CafiMarsella is huge. The differences between the prices of the coffee buyers are very little. Despite that there are some *cafeteros* who say that they always visit first some coffee buyers to check out who has the best price. The majority of the *cafeteros* sell always to the same coffee buyers. Reasons for that are habits, solidarity or granting. An elderly female *cafetera* said about a coffee buyer:

'He is a nice and very friendly man and he knows a lot about coffee because he worked for the *cooperativa*'⁴⁰

³⁸ Interview, 29-03-2012

³⁹ 27-03-2012

⁴⁰ Interview, 12-04-2012

A kind of similar statement was said by another *cafetero* about the same coffee buyer. In the case of the associates of *CafiMarsella* the majority always go to the *CafiMarsella* to sell their coffee. If they do not sell their coffee to the *CafiMarsella* but to privately owned coffee buyers it is often because they want to sell their *pasilla* (coffee of inferior quality). They sell it to the privately owned coffee buyers because they pay better for *pasilla* than *CafiMarsella*. Like *CafiMarsella* have the privately owned coffee buyer's different prices, the price goes up with higher quality. According to two members of the *junta de consejo administrativa* of *CafiMarsella* is the price of Fair Trade the best price that a *cafetero* can get in Marsella, but for *pasilla* pays the privately owned coffee buyers better. It is because the privately owned coffee buyers can mix the *pasilla* with better quality and *CafiMarsella* can't mix the *pasilla* with the Fair Trade coffee. Factor 89 is a good quality coffee nevertheless do the majority of the *cafeteros* not perceive that producing factor 89 improves their position in trade. This can be explained by that in Marsella there is only *CafiMarsella* whom distinguish factor 89 with a significantly higher price and there isn't space for negotiation about the price at *CafiMarsella*. The privately owned coffee buyers pay some better for a good quality but not that much as *CafiMarsella*. However the *cafeteros* don't have the perception that their position in trade improved, it did. Because they can by producing a higher factor earn more money but perhaps because they don't know that or not know how much they can earn with Fair Trade they do not see an improved trading position.

The position in trade of the *cafetero* is improved through Fair Trade, but does the position of *CafiMarsella* in trade improved as well? As earlier mentioned is every associate of *CafiMarsella* obliged to sell 25% of their production to *CafiMarsella*. The rest of their production they can sell to anyone. Most associates say that *CafiMarsella* offers the best price for their coffee but non-associates often say that privately owned coffee buyers pay better. Perceptions of *cafeteros* about who pays the best vary a lot. Certain is that the differences between prices are little. A reason for *cafeteros* to not sell their coffee to *CafiMarsella* is because they look to the quality of the product, other coffee buyers look less to the quality. Like one farmer described it:

'The *cooperativa* buys quality, privately owned buyers only quantity'⁴¹.

As well a reason to sell to privately owned coffee buyers is because the examination of the coffee that *CafiMarsella* does. Like a former employee of *CafiMarsella* described it:

'It is like an exam in college, the *cooperativa* assesses your coffee and many people are afraid of the result'⁴²

In perceptions of the associates of *CafiMarsella* purchase their *cooperativa* with Fair Trade a coffee of a high quality. It improves the position in trading for *CafiMarsella*, because due to Fair Trade they have a coffee exporter who pays better for their coffee. Fair Trade requires long term agreements and that causes more income stability for *CafiMarsella*.

3.2 Social improvement due to Fair Trade

Besides economical improvement Fair Trade aims as well in making social improvement. Both are important for a sustainable development. Steger (2010:12) and Scholte (2002:6) state that globalization is a multidimensional social process that engages people and intensifies worldwide social

⁴¹ Interview, 29-02-2012

⁴² Informal conversation, 23-03-2012

interdependencies. This is what happens with Fair Trade in Marsella. Fair Trade tries to intensify the connections between consumer and producer to improve the situation of the *cafeteros* but as well the consumer (quality coffee) and the environment (less contamination). According to Fair Trade is at the basis of social improvement the democratic producer organization. All the members of the producer organization need to have access to democratic decision-making process and as far as possible participate in the activities of the organization⁴³. Already is elaborated in chapter two that the associates of CafiMarsella are organized in a democratic producer organization namely in a cooperative. CafiMarsella did already exist before the Fair Trade certification hence there wasn't a need found a producer organization. But it in the eyes of the contemporary staff of CafiMarsella is Fair Trade important for the future of their cooperative. Therefore are in the following two paragraphs the perceptions about other social developments like awareness and self-respect elaborated how those are related to Fair Trade and CafiMarsella.

3.2.1 Awareness and Fair Trade

Before the Fair Trade certification did CafiMarsella already offer benefits and services for their associates. Because of that there wasn't a need for development in that social area; neither in case of healthcare had Fair Trade to intervene. This because the majority of the associated *cafeteros* are in a low *estrato* (social class). The Colombians are divided in six social classes in which one is lowest and six highest. For the Colombians who are situated in *estrato* one and two the government pays for healthcare. Because CafiMarsella and the Colombian government already take care of some social development it isn't surprising that some *cafeteros* mention that they don't see social improvement due to Fair Trade. But some *cafeteros* do see social improvement due to Fair Trade, and then they refer to the education. Nevertheless education can be as well social as economic development. It can be economic in the sense of education to improve human capital to improve the production in quantity and quality of the coffee. But education can be as well social in a sense of awareness by accumulating knowledge about coffee producing, health and the environment to improve human welfare. A relatively young *cafetero* of 43 years old said about the education of Fair Trade:

'We were blind but Fair Trade opened our eyes. They taught us things about the environment and producing coffee, we never knew a thing about it'⁴⁴

He is in particular pleased with Fair Trade because he feels himself more educated. A few other *cafeteros* said things in such a way but nobody else used that striking metaphor of being blind. Notable is that those *cafeteros* mostly were people who are closer related to the *cooperativa* due to being members of the *junta de consejo administrativa* or the *junta vigilancia*. But on the other hand it would be weird if they didn't know anything about it. Because those *juntas* are closely engaged with the policy of CafiMarsella and thus as well with Fair Trade. They speak positive about Fair Trade and want to maintain the certification for CafiMarsella. For example the *gerente* said:

'Fair Trade demands that we take care of the trees, water, mountains, flora and fauna and the animals. So we can't work anymore in manners that we did. Some of the associates don't like that because they have to adopt the requirements of Fair Trade; they see it as useless difficulties in their lives and production. But we as CafiMarsella

⁴³ http://www.fairtrade.net/aims_of_fairtrade_standards.html , July 2012

⁴⁴ Interview, 29-03-2012

want to maintain the certification because it helps for the future of the CafiMarsella and our associates'⁴⁵

The Fair Trade criticasters that the *gerente* mentions above are according to himself only small minority of the associates of CafiMarsella and he believes that they will change their mind sooner or later. As well the president of the *junta de consejo administrativa*⁴⁶ speaks very positive about Fair Trade because he believes too that it helps the *cafeteros* forward. The latter is the reason why he and the *gerente* decided to work for CafiMarsella; they want to improve the situation for the *cafeteros*. The president of the *junta de consejo administrativa* said:

'I love *cooperativas*. I like to belong to something. I like unite and work together to make it better for all'⁴⁷.

Both said to strengthen their believe in CafiMarsella that the work they do, is unpaid work. The *gerente* only receives expenses for his travel costs. He worked 36 years in a bank and said:

'I'm a *cafetero* myself; I was born on a *finca*, so I care about the *cafeteros*. My heart is with them'⁴⁸

Both believe in the organization form of a cooperative and the Fair Trade certification because in a cooperative can the small producers unite and be more powerful and the Fair Trade certification causes with their requirements in improvement in de education of the *cafeteros*. As well with the social premium of Fair Trade can CafiMarsella educate their associates and the associates can decide what kind of education they want, because they vote for what happens with the social premium. For example CafiMarsella wants to give their associates courses about how to handle *agua mieles*. It is about how to drain that wastewater without contaminate drinking water and the soil. This is off course not just a social development but as well an economic and environmental development. Maintaining clean water is important for health and environment and not contaminating the soil is important for environment and production of coffee. According to the coordinator of Fair Trade of CafiMarsella is it a problem in Marsella and some *cafeteros* mentioned it to her⁴⁹. With result that it is proposed at the general assembly to make a plan by using money of the social premium about how to educate the *cafeteros* to improve it. So an economic improvement creates space for social improvement.

3.2.2 Self-respect of the associates of CafiMarsella and Fair Trade

The majority of the *cafeteros* that are associated with CafiMarsella have one to three hectares; they are small-plot producers. Many of them don't have employees, often only family members who help them out. Besides the majority of small plot farmers does CafiMarsella have as well a minority of large-plot producers. On those large *fincas* work easily ten to twenty persons daily. The small-plot producers need often only in the harvest period employees. From September to December is the harvest period in Marsella. This off course due to the abundance of coffee fruits. Except a few a big majority of the associates see the need of being an associate of CafiMarsella. An old *cafetero* who is an associate since the foundation of the CafiMarsella said:

⁴⁵ Interview, 18-04-2012

⁴⁶ Interview, 14-03-2012

⁴⁷ Interview, 14-03-2012

⁴⁸ Interview, 18-04-2012

⁴⁹ Interview, 18-03-2012

‘Uniting is power’⁵⁰

The same was said by a younger *cafetero* and he added that working together improves the situation for them all. But often can’t associates explain clearly in what way they help their fellow associates. Many mention that uniting is important and perceive being an associate as something social, in the sense of supporting each other. Even so motives to associate are more often they economic than social. About the non-associated *cafeteros* say the associated often that they are ignorant or uninformed about what CafiMarsella is sometimes they call non-associates selfish. Besides perceiving themselves as social they see themselves as wiser and producers of a better quality. As well some *cafeteros* state that associated have their *fincas* better organized. Worth mentioning is that the associated *cafeteros* with bigger *fincas* give often the impression that they are associated to support the smaller *cafeteros*. For the benefits and services they don’t have to be associated because they are wealthy enough to take care of that themselves.

If associated *cafeteros* have knowledge about the Fair Trade certification they perceive it often as a quality coffee or a special coffee of what they call a clean product because during the production they didn’t make use of bad chemicals.

‘Your people in your land want a quality coffee without contamination; we can produce that for you’⁵¹

Said by a *cafetero* and similar things said by others. They don’t perceive Fair Trade as a program that exists to offer them a sustainable development. Neither have the *cafeteros* the perception that it is a form of social justice. There are proud that they produce a quality product but that is more often linked to being an associate of CafiMarsella instead of producing for Fair Trade. In a way it can good because if they would see Fair Trade as a social justice perhaps they feel pity for themselves and if they perceive Fair Trade as a quality coffee they are prone to be the producer of that coffee. Nevertheless are the *cafeteros* who are known with Fair Trade, satisfied with it. A *cafetero* said about it and with him many others:

‘I produce a good quality and I get a better price for it’⁵²

Family members of Fair Trade coffee farmers often don’t know anything about the program, only a few know vaguely something. A stunning example is about three brothers who work at the same farm and are associated with CafiMarsella. One brother heard about Fair Trade and said:

‘Something about quality isn’t it?’⁵³

The other brother knew nothing and only the last knew about Fair Trade. He explained that Fair Trade prohibits the use of bad chemicals, the need of keeping tubs and tools clean and that a factor 89 is needed to receive a better price. It is remarkable because they work together, live in houses next to each other and often eat together, nevertheless only one of the three brothers did know Fair Trade. As well there are examples of people who work on *fincas* that never heard about the certification however the owner is associated with CafiMarsella and thus Fair Trade certificated. According to the

⁵⁰ Informal conversation, 07-03-2012

⁵¹ Interview, 04-05-2012

⁵² Interview, 29-03-2012

⁵³ Interview, 21-03-2012

gerente is the problem of the lack of knowledge of FLO due to that many *cafeteros* aren't educated, many only had primary education that makes it hard to educate them. Educated or not only a small group of *cafeteros* feel self-respect due to Fair Trade because of producing a better quality. The majority receive their self-respect of Fair Trade only due to the higher price, at least if they know about it.

3.3 Causes Fair Trade poverty reduction?

In the vision of Fair Trade is said that they believe that trade can be a fundamental driver of poverty reduction and greater sustainable development⁵⁴. The Organization for Economic Co-operation and Development (OECD 2001:38) argue that poverty is composed of five core dimensions, see paragraph 1.5, that all are related. What can be said about poverty under Fair Trade *cafeteros* according to those dimensions. A quick look to the five dimensions can give the impression that the *cafeteros* aren't in a very bad situation. Because first the *cafeteros* have the ability to earn an income and Fair Trade offers a minimum price, second they have (noteworthy sometimes in minimal manners): healthcare, education, nutrition, clean water and shelter arranged often by the state or the FNC, third with CafiMarsella and their other social capital (for more a detailed analyses see next chapter) they have a political influence in CafiMarsella a voice in the local government, fourth the *cafeteros* feel that they belong to the society of Marsella and feel valued in that society and the last dimension is the capability to withstand economic and external shocks, many *cafeteros* do not perceive that they have capability to withstand economic shocks and perceive a lack of support however the last decades the coffee industry had to deal with some fierce crisis's and the *cafeteros* are still standing. About protection against guerilla violence do the *cafeteros* barely complain. It is a topic of conversation but they perceive it as a danger for other departments, there isn't guerilla in Marsella according to the *cafeteros*.

But with a closer look the situation of the *cafeteros* looks more inconvenient. The *cafeteros* have the ability to earn an income however it is under heavy influence of the stock market, nature and costs of fertilizers and fumigators. In theory causes the Fair Trade minimum price that the *cafeteros* always have the ability to consume. And this will protect the social status and food security of the *cafetero*. Nevertheless if the *cafetero* doesn't reach factor 89 he can't sell to Fair Trade. Not producing factor 89 can be the result of not having the money to buy fumigators or fertilizers or due to natural phenomena that makes the quality of the coffee bad. Not selling with factor 89 results not receiving the minimum price, the result can be a vicious circle. As well is the case by not producing a factor 89 that there isn't a protection against a price crisis in coffee. If a *cafetero* earns less the result can be that the nutrition deteriorates and that can have influence for their children in their development and school performance. With result later if they become *cafeteros* all the good willing advices and recommendations of the FNC they can't understand fully and process fully. As well is the healthcare for the *cafeteros* not always the best. The Colombian government pays for healthcare for the poorest of the country but according to some *cafeteros* is that healthcare is not of the same quality of the richer Colombians who go to private clinics.

Fair Trade is a program that supports the *cafeteros* but until this moment it doesn't cause a significant reduction of poverty under the *cafeteros* in Marsella. Looking at the five dimensions they support the *cafeteros* mainly with the economic dimension, political dimension and the protective

⁵⁴ http://www.Fairtrade.net/our_vision.html (July 2012)

dimension. Because Fair Trade offers the opportunity to earn some more for coffee, nevertheless an extra effort is demanded; the *cafeteros* have a voice and influence in CafiMarsella; and with the minimum price the *cafeteros* are protected to a price crises, however like with the economic dimension is an extra effort needed.

4. Social capital and Fair Trade coffee producer

In the previous chapter I described the variety of perceptions of *cafeteros* about economic and social improvement due to Fair Trade. I continue with the social capital of the *cafeteros*. Many scholars (Blair and Carroll 2008:42; Stiglitz, Sen and Fitoussi 2009:51; Geiger-Oneto and Arnould 2011:280) state that social capital has a positive effect on economic and social improvement. In this chapter are the forms of social capital for *cafeteros* in Marsella analyzed in what effect those have on economic and social improvement.

4.1 Social capital between *cafeteros* themselves and CafiMarsella

The *cafeteros* of Marsella have access to different forms of social capital. According to Putnam (1993:169) refers social capital to features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions. For the *cafeteros* of Marsella this means any social organization that can help by improving their lives, coffee production and coffee trading. The foundation of the *cooperativa* in 1987 was to improve the coffee price for the *cafeteros*. This social organization was to improve the efficiency of the coffee sales and with that a better price to improve the lives of the *cafeteros*. To organize themselves in a *cooperativa* they could do things that they couldn't do by themselves individual. So with CafiMarsella they could regulate the price for their coffee and offer the benefits like the funeral service, the trainings and credits for fertilizers (see paragraph 2.4). For many it is the motive to associate with CafiMarsella, like many *cafeteros* say why they go to CafiMarsella and not to a different coffee buyer:

'They offer benefits that they coffee buyers on the street doesn't offer'

Despite the organization of the *cafeteros* with CafiMarsella are the relationships between associates individual are not that close. Probably due to CafiMarsella are the relationships between *cafeteros* not that close and make those forms of social capital not necessary for them. Associates of CafiMarsella often only know their neighbors well but other associates often only by face. If *cafeteros* have a close relationship is it often because they are neighbors or they are family. In general are the *cafeteros* in Marsella fairly individual as well in their work as their lives, either associated as non-associated. For example said an older female *cafetero*:

'I'm not going to bother my neighbor if I need a bucket or a machete, if I need something I'll buy it, even if I need to buy it on credit'.

That credit she can get from CafiMarsella, which makes the need for a relationship with her neighbor less. The same woman said about her neighbor:

'It is a good man, very friendly but he never lends anything to his neighbors, in that sense he is a bit egoistic'⁵⁵.

It doesn't bother her and according to her are many *cafeteros* like that. But there are examples that *cafeteros* help each other out. One day a *cafetero* was working on the land of his neighbor because his neighbor was sick for a week and he helped him out with harvesting. Because without that help he would lose his coffee. The helping *cafetero* said that he helped his neighbor because they are good

⁵⁵ Interview, 12-04-2012

friends. They live for years next to each other and they help each other often. Till eight years ago they had with six neighbors a system of helping each other out during times of harvest.

'One day we worked on my land and the next day on the land of my neighbor. Unfortunately we don't do that anymore'⁵⁶

This was said by a 61 year old *cafetero* and according to him fell that neighbor system apart because some moved away and some died; only one of those people still lives there. Relations like this are rare in Marsella, the most *cafeteros* only work on their own *fincas* and if they need workers they get people from town or neighbors who don't have land but only live at the countryside. Having your own *finca* with coffee and the need to work on a *finca* of another person is a bit shameful for some *cafeteros*. A *cafetero* of 70 years old told:

'I had due to the *roya* for two years no production. In the second year I had to work for others because I was running out of money. It was hard period and I definitely didn't like it'⁵⁷

He mentioned that it was a bit shameful for him; as well another *cafetero* mentioned that he worked a while on land of others. He said that he wasn't proud of that but it was needed to survive. Some *cafeteros* mentioned that mostly the help that they need is financial help and with that can neighbors not help each other because often they have the same problem. In some cases sons and daughters of *cafeteros* support their parents now and then with remittances. For many things can the *cafeteros* go to the *comite* or CafiMarsella but not for employees, they need to organize themselves. If neighbors help each other is it with harvesting the coffee and it are mostly the people who live in the countryside without land to cultivate anything.

In the Municipal of Marsella exists a good amount of people who live in the countryside without land to cultivate. For example on *vereda el Rayo* exists a small community called *plan de vivienda del Rayo*, it is composed of 52 houses and there live 150 to 200 people. Many of the men in that community work for the *cafeteros* as normal employees who get a salary for their work. Some *cafeteros* pay per kilo others pay daily. For picking coffee is normal 400 to 500 pesos per kilo. Some big *cafeteros* pay 40.000 pesos daily other only 25.000 daily for their workers. The majority of the *cafeteros* are too busy on their own land to work for others. Only *cafeteros* who are family of each other help each other out now and then. If *cafeteros* need workers often the workers come to them. This happens in the harvest period (September to December) when the *andariegos* come to Marsella. *Andariegos* are workers who travel all around Colombia looking for work on coffee fields. Despite the *cafeteros* need them they are not much liked. Because they are paid per kilo so they pick as well fruits that are not yet ripe, another problem is they are not loyal and don't care about the coffee trees. So they do not work always careful that causes damage to the trees and if they can earn somewhere a little bit more the leave directly. According to a *cafetero* do the *andariegos* even leave if they are not satisfied with the lunch they receive⁵⁸. But in harvest time there is so much coffee to pick that for some *cafeteros* it is necessary for many to hire *andariegos* to pick all the coffee. Because coffee needs

⁵⁶ Interview, 12-04-2012

⁵⁷ Interview, 10-05-2012

⁵⁸ Interview, 02-03-2012

to be picked in a small amount of time because the ripe fruits will fall and it is more expensive to let them pick of the ground and as well the quality of the fruits is lower.

4.2 Cafeteros and the *Comite del cafeteros de Marsella*

In Marsella are *CafiMarsella* and the *Comite del cafeteros de Marsella* – a department of the FNC- two forms of social capital that are available for the *cafeteros*. In this paragraph is the *comite* treated. The FNC operates in who Colombia with *comites* in municipals with coffee producers thus also in Marsella. The objective of the FNC is to support the *cafeteros* in their production process and in their lives. The FNC gets from every pound of coffee (in Colombia they use 500 grams) that Colombia leaves 0,06 dollar cents. With this money they build schools, roads, waterways, bridges and finance the *comites* with their *extensionistas* (extenders). The *extensionistas*, as well sometimes called the yellow shirts because of their uniform, maintain personal contacts with the *cafeteros* to help them with their production. The *extensionistas* in Marsella are all agronomists and with their knowledge they give the *cafeteros* recommendations for their production process. The *extensionistas* receive a constant flow of information about everything related to the coffee business form the FNC.

In labs is the FNC always developing varieties of the Arabica coffee plant who are resistant against plagues and diseases that endanger the production of the *cafeteros* and as well they try to develop varieties that can produce more. The *extensionistas* are the middle man between the FNC and the *cafeteros*. For example the last variety that the FNC developed named *Variedad Castillo* is almost resistant against to the diseases that endanger the production. The job of the *extensionistas* is to make sure the *cafeteros* get access to that type of coffee trees. First in meetings and visits they inform the *cafeteros* about the new variety and afterwards they help them with getting access to the trees and in which way to plant the new trees. The manner of offering access to new coffee plants can be due to loans. The *extentionistas* first check if the *cafeteros* apply for a loan and further they arrange the paperwork and send the credit apply to the FNC. As well the *extensionistas* help the *cafeteros* with loans for fertilizers, fumigators and buying land. Despite the help that the FNC offers for the *cafeteros* the image of the FNC isn't always very positive. Some *cafeteros* mentioned that the FNC is very rich and barely return the money in things for *cafeteros*. The same *cafeteros* have the feeling that the FNC only does recommendations to make money for themselves. For a *cafetero* about the *broca* plague:

'I think the federation has contracts with companies who produce fumigators and in this way the both earn money over our backs'⁵⁹.

More of this type of suspicion exists in Marsella about the FNC; nevertheless the *cafeteros* speak mostly positive about the *extensionistas*. A big majority of the *cafeteros* in Marsella see the *extensionistas* as a helpful hand because they give recommendations for the production process. However the *extensionistas* base their recommendation on their knowledge and results of the lab and tests of the FNC the *cafeteros* are not always convinced, many *cafeteros* just do what they want or only partly carry out the recommendations. For example some *cafeteros* have coffee trees that are 30 to 40 years old and the FNC recommends cutting them down every five to six years and after three times doing that planting a new tree. They recommend this because the production is less after five to six years and after fifteen to eighteen years it is better to plant a new tree. Some *cafeteros* do not believe in this and keep working with their old trees of 30 to 40 years.

⁵⁹ Interview, 02-03-2012

4.3 *Juntas de veredas*

Another form of social capital that exists in the municipality of Marsella are the *juntas* of the *veredas*. This form of social capital is not in particular for *cafeteros* but for every Marsellees. Every *vereda*, a country road, has a junta that consists of three to four persons: a president, fiscal, a treasurer and sometimes a representative. The *junta* is the connection between the local government and the residents of Marsella. They manage the issues that exist at the *vereda*, for example trouble with water, bad roads, bad houses, electricity etc. The president of the *junta* goes to the local government to create awareness for the issues and proposes solutions. As well it can happen that it goes the other way around. For example if the local government has received money from the national government to improve houses and roads they will contact the presidents of the *juntas*. The presidents of the *juntas* need to know what's going on at their *veredas* so the local government knows where to invest the money.

4.4 Social capital way out of poverty?

Cristobal Kay (2006:465) doubts that accumulating social capital is the way out of poverty for Latin American peasants. The situation in Marsella maybe could confirm his doubt. The forms of social capital that exists in Marsella like CafiMarsella and the FNC exist for many years but still many *cafeteros* live in poverty. Many speak about the *epoca de bonanza* in the 70s, when the coffee business was booming. Poor farmers blame the changes in nature that they are poor right now but as well the stock market in New York in which the price is set for their coffee. They say that it was warmer in the 70s, less rain, more fertile ground, no plagues like *roya* and *broca* and a better price for the coffee. They complain nowadays about the high costs of producing, low coffee prices and about the sum of *invierno* (winter/rain). As well they complain about the lack of protection the government of Colombia offers in securing a stable good price, because the stock market is very volatile. Many *cafeteros* are aware of the fact that at the moment more countries produce coffee which has the consequence that the supply is higher and makes the price lower. But therefore mention many *cafeteros* that the government needs to protect them because the Colombian coffee is one of the best in the world they say. Richer *cafeteros* say that it is because many *cafeteros* are bad educated and therefore can't manage a farm well and therefore stay poor. Maybe in particular why some *cafeteros* keep on struggling is that they are a bit stubborn. The *extensionistas* give recommendations and the FNC offer credits, together it gives opportunities to improve their production and with that their income. Kay (2006:456) mentions the lack of access to other capital than social capital keeps the peasants poor. This is partly true in Marsella because the small *cafeteros* often lack capital to buy fertilizers or fumigators, in some extent they can get loans from the FNC and CafiMarsella but due to the interest that they have to pay their income doesn't increase always.

Nevertheless the small-plot *cafeteros* in Marsella who are following mostly the recommendations of the *extensionistas* are often a bit more prosperous than the *cafeteros* who produce in a more traditional way. Human capital can play a role in that. For example in February had CafiMarsella a *dia del campo* during that day there was a presentation about fertilizers. A company that sells fertilizers explained to the *cafeteros* what their fertilizer contains and which content serves for which part of the coffee tree. In the end of April there was a *dia del campo* of the *comite* with partly people who attended as well the *dia del campo* of the *cooperativa*. At that second *dia del campo* there was again a company who presented their fertilizing product and they did a sort of a quiz with the *cafeteros*. They could win gadgets if they knew the contents of the fertilizing product. Many people

had almost the same presentation in the end of February but they couldn't barely remember the contents. According to an employee of the *comite* is it a good example of the capacity of *cafeteros* to absorb knowledge that can help them forward. Because every year are more or less the same presentations and still they don't barely know anything of it. The *cafeteros* who do absorb the knowledge result in a more prosperous situation.

According to Field (2008:1) can social capital summed up in two words: relationships matter. Through making connections with other, and maintain these connections, can people together with others achieve things that they cannot do by themselves or only with great difficulty. In Marsella are several forms of social capital for the *cafeteros* namely: family, neighbors, CafiMarsella, the *Comite* and the *juntas*. The church is important for the *cafeteros* but I didn't include it as a form of social capital, because it wasn't my focus and it wasn't a visible form of social capital in Marsella. Despite all those forms of social capital do the *cafeteros* complain often about their situation. They call themselves often poor and in the need of help. A former employee of CafiMarsella and contemporary owner of a coffee buying business said about the individualism of the Colombians:

'Our country is very rich but we do not understand how to share that richness, for foreigners Colombians look very social because we are helpful and friendly but in reality we are egoists. Look at the corruption in this country'⁶⁰.

Colombians make with many people connections but they not always try to achieve things for each other but more for themselves. He gives the example of the money that disappeared at CafiMarsella a group of people enriched themselves with loans that they never paid back but by doing that they harm many others.

In this chapter are the forms of social capital described, however the Colombians are Fairly individual the social capital has sometimes influence on the social identity. In the next chapter are the social identities of the inhabitants of Marsella described.

⁶⁰ Informal conversation, 22-05-2012

5. Social identity of Fair Trade coffee growers

In the previous chapters is described how the Fair Trade certified *cafeteros* are organized, what the social and economic developments due to Fair Trade are and what kind of social capital is available for them. This all has influence on the social identity of the associated *cafeteros* of CafiMarsella. Below is described how the *cafeteros* of CafiMarsella but as well the non-associates and other residents of Marsella identify themselves with CafiMarsella and Fair Trade, Colombia, Marsella, Religion and *Campesinos*.

5.1 Identification with CafiMarsella and Fair Trade

Social identity is from one perspective the group within the self and from the other perspective the self within the group (Brewer and Hewstone 2004:xi). So how do the associated *cafeteros* of CafiMarsella whom have the Fair Trade certification see the CafiMarsella in themselves and themselves in CafiMarsella. Except a few are only the *cafeteros* in Marsella who are associated with the CafiMarsella the ones who know the Fair Trade certification and still a good number of associates neither do know well what Fair Trade is. Many see it as a *cafe especial* or a *cafe de calidad*, that implies a quality coffee but *do* not have the clear knowledge about what the intentions of Fair Trade are. Murray et al. (2006:188) state that in Central America only a few coffee producers see themselves as a part of a worldwide Fair Trade movement. The same goes for the *cafeteros* of Marsella; like in chapter three mentioned do many not perceive Fair Trade as a social justice. However many *cafeteros* relate Fair Trade to *café especial* or *café de calidad* they relate producing a good quality coffee more often to being an associate of CafiMarsella then to Fair Trade. *Cafeteros* barely derive their social identity from being a Fair Trade coffee producer. Only a few ascribed producing a good quality coffee in particular to the Fair Trade certification. Noteworthy is that those *cafeteros* are closer related to CafiMarsella due to their functions in the *juntas*. It are supporters of Fair Trade and trying to create more consciousness by their fellow associates. Nevertheless is producing a good quality something that makes many *cafeteros* feel proud. Producing a good quality and being better organized is what many associated *cafeteros* perceive as the difference between them and non-associated *cafeteros*. Thus being organized and producing quality coffee is what *cafeteros* see of CafiMarsella in themselves. It is an effect that Fair Trade intends to create a sustainable development although often it isn't perceived by the *cafeteros* as something of Fair Trade. It gives the associated *cafeteros* a pride because the often call the non-associates ignorant and uninformed because they miss the benefits and services. A few associated *cafeteros* even called the non-associates selfish because they think that due to being an associate they could help each other.

5.2 Identification with Colombia

The stereotype *cafetero* in Marsella is older than 50, skinny, often has a mustache, calls himself a Paisa, is a Catholic, is born in the municipal of Marsella, loves to talk about everything related to coffee, complains that it is hard living the life of a *cafetero*, loves to life in the countryside and proud of his *finca*. Not all the *cafeteros* are men, in Marsella there are as well some female *cafeteros*; mostly because their husband died. The most *cafeteros* do not identify themselves specific with Colombia but much more with being a Paisa. That means coming from the region of the *eje cafetero*. But still the Marselleeses don't see themselves as pure *Paisas*; according to the Marselleeses are that the people of Antioquia. If the *cafeteros* speak about coffee they are proud about their Colombian coffee. In the eyes of many *cafeteros* they make the best coffee of the world; *un cafe suave* (a sweet coffee). Often they make the comparison with Brazil the biggest coffee producer of the world. The coffee business in

Brazil is very mechanically opposite the labor intensive coffee production in Colombia. Due to the labor intensive production is the quality of Colombian coffee in the perception of many the best. A *cafetero* said:

'The fruits of the coffee are never all at the same time ripe, we pick only ripe fruits instead of Brazil there they pick them all together with a machine'⁶¹

This perception is fed by the *comite* because at meetings they often make comparisons with Brazil and always make the quality distinguishing of Colombia. Worchel (1998:2-3) states that social identity contents *the we* and *the them*. According to this perceive the Colombian *cafeteros* (the we) themselves as producers of better quality coffee than the Brazilian coffee producers (the them). It creates that they identify themselves with producers of the best coffee in the world.

5.3 Identification with Marsella

Not only the *cafeteros* but all the residents of Marsella speak with pride about their town. However the most never have been further than a few cities around Marsella and so know very little about their own country they are proud that it is quiet and safe. Often they refer to the crimes they see on television of the bigger cities, 'that things don't happy here in Marsella' is said by many. The Marselleeses try hard to show that Colombia is not only FARC and cocaine but as well peaceful and friendly. The inhabitants always call Marsella *sano* (healthy). As well the like to refer that the people of Marsella are *formal*, which they refer to friendly and helpful. Despite they talk so positive about their town and people the *cafeteros* of Marsella are very individual. Only 23% of all *cafeteros* in Marsella are associated with CafiMarsella. It shows that there isn't a strong inclination of associating. In Marsella they say it is the culture of the countryside. A middle age Marsellees said:

'If people want a lot of people around them than they would live in a city'⁶²

He states that *campesinos* (peasants) like to be independent; they want to be their own boss without interference of others. The *extensionistas* of the *comite* state as well that being independent is important for *cafeteros* and that there isn't a mentality of associating with anything in Marsella. An *extensionista* said about the *cafeteros*:

'It are very friendly people, they are always happy when you visit them and often they invite you for lunch or dinner. But they are a bit stubborn. You give them advice and recommendations but it happens often that by coming back a couple of weeks later nothing happened'⁶³

5.4 Identification with religion

At the central park of Marsella is a big Catholic church situated, besides this church the town has a handful of other smaller churches that are often situated in a normal house. It are evangelist, Christiana and Jehovah churches. The grand majority of the *cafeteros* are Catholics. Their religion and faith plays an important role in their lives. It is normal to hear on a question the response with '*gracias a dios*' (thanks to god). As well '*si dios quiere*' (if god wants it) is often used by *cafeteros* in phrases. Not only in oral communication display the *cafeteros* their religion as well in physical objects like

⁶¹ Interview, 11-04-2012

⁶² Informal conversation, 23-05-2012

⁶³ Informal conversation, 26-04-2012

necklaces with crosses and religious paintings on the wall and statues of Jesus in or around the houses. They see god and religion as a support in their lives and necessary for hope and reflection. Hope (*esperanza*) is a very important word for the Marselleeses. Many *fincas* called *esperanza* and the phrase: *hay esperanza* (there is hope) is often heard. Therefore not surprisingly has the small town of Marsella has five betting agencies and everybody is betting because there is hope.

5.5 Identification with campesinos

The majority of the *cafeteros* is born in the municipal of Marsella and have their parental roots in the coffee production. Thus they are well experienced. The *cafeteros* see themselves as *campesinos*, often is the adjective poor used before *campesino*. According to the Colombian social class category are the most *cafeteros* in social class one or two and some in three. Social class one and two imply that the *cafeteros* are poor and three means middleclass. It corresponds with the perception of many *cafeteros* who see themselves as poor *campesinos* who struggle to survive.

'I was born between the coffee trees so in that way I got in this struggle'⁶⁴

This was said by an old *cafetero* who sees himself as a *campesino* but he is and states that being a *cafetero* is always a struggle. The latter is said by many *cafeteros*. Not only the residents of Marsella who life on a *finca* see themselves as a *campesino*. For example a Willyz (jeep taxi) driver calls himself a *campesino* and *cafetero* but he doesn't live on a *finca*. He co-owns a *finca* with his four brothers and only works there once a while. Still he sees himself as a *cafetero* and *campesino*.

'I couldn't life from only the coffee so I became a Willyz (Jeep) driver (...) being a *cafetero* is tough nowadays'⁶⁵

Said the Willyz driver. It is one of the reasons that the contemporary *cafeteros* give why youngsters not want to be a *cafetero*. They don't want have a future of being poor and struggling for an income. Nevertheless are the contemporary *cafeteros* by majority proud of what they have and feel proud that they can provide for their families even if it's little. Murray et al. (2006:188) state that associates of producer organizations in Central America often identify themselves with their organization, with their local community, with their religious affiliations, and or with ethnic/indigenous links. This corresponds with the situation in Marsella. The associates of CafiMarsella identify themselves with CafiMarsella, their town Marsella and the Catholic religion, with the addition of being producers of quality coffee.

Parsons (cited in Christie 1978:260) said about the coffee growers in Colombia of the nineteenth century that they are proud, free and have an independent spirit of self determination. Off course in more than a century changed many things in the coffee business but how Parsons described the *cafeteros* is still noticeable in Marsella. However the coffee business is more organized and the *cafeteros* have forms of social capital as the FNC and CafiMarsella the *cafeteros* see themselves still as free, independent and are proud that they can feed their families with their few hectares of coffee. But in reality they are not that free and independent because they need their social capital like the FNC and CafiMarsella to survive. Because they offer education, loans and help with better prices. Social capital like the FNC and CafiMarsella have influence on their social identity, they see themselves as quality coffee producers on one hand because they are producers of Colombian coffee and on the

⁶⁴ Interview, 15-05-2012

⁶⁵ Informal conversation, 10-05-2012

other hand because they are associates of CafiMarsella. In this case of Marsella has Fair Trade as social justice very little influence on the social identity of the *cafeteros*.

6. Conclusions

The coffee business is extensive and everybody in that business has to cope with several influences. The consumption of coffee is worldwide, the livelihood of around 25 million producing families depend on coffee and it is after oil is it the most legally traded product of the South (Fridell 2007:102). Thus there are the issues of supply and demand, speculation and exchange rates. The *cafeteros* have to cope with those influences but have very little influence on those things themselves. The neo-liberal policies of free market and trade made the producers of coffee vulnerable. Besides that have the *cafeteros* to cope with more influences because their production in quality and quantity depends on several factors like the climate, weather, plagues and price of fertilizers and fumigators. For the often low educated *cafeteros* who have one or two hectares with coffee trees on a steep slope in the municipal of Marsella can this be difficult. To help those disadvantaged coffee producers was Fair Trade was set in motion. Like Fair Trade state in their mission that they want to empower the producers to combat poverty, strengthen their position and that the producers take more control over their lives.

With this thesis I attempt to answer to what extent Fair Trade succeeds in its mission taking on CafiMarsella as an example studied in depth. Therefore I formulated the following central question: how do coffee farmers in Colombia of CafiMarsella perceive social and economic improvement due to Fair Trade and how does that relate to their social identity? CafiMarsella is the producer organization that Fair Trade requires of the *cafeteros* for their certification. The organization form is a cooperative and that makes that the associates are the owner, have control and are the beneficiary (USDA 2002:1). Looking at the structure of CafiMarsella do they function just as the theoretical definition of a cooperative. The two *juntas* consisting of associates who work as representatives for their fellow *cafeteros* and chosen by them too, make sure that the associates are the beneficiary of CafiMarsella. Thereby are the members of the *juntas* the ones who are proponents of the Fair Trade certification, they believe that the associates benefit from the certification. Nevertheless do the associated *cafeteros* not always have that perception.

The perceptions of the *cafeteros* of CafiMarsella about economic and social improvement due to Fair Trade are very diverse. Some *cafeteros* perceive economic improvement because of a higher price for their coffee but do not know to which extent it improves their income. Other *cafeteros* say that they earn some more but it is too little to make a real difference, some say that it improves their livelihood but do not know how much and some even do not know that Fair Trade pays better for them. There is a lot unclear by the *cafeteros* about how they can earn more money with Fair Trade and how much. The fact is that the *cafetero* can earn some more if they sell their coffee with the Fair Trade certification. But the extra amount isn't very high and not surprisingly said some *cafeteros* that Fair Trade isn't a substantial improvement on the income. Only in times of harvest when the *cafeteros* sell big quantities of coffee they can earn substantial more money. Yet, if the *cafetero* wants to sell with Fair Trade he needs to produce factor 89. It requires careful work of the *cafetero* and if there is a lot of coffee to pick that can be difficult.

Like the lack of clarity how Fair Trade improves the income of the *cafeteros* is the same is the case with knowledge of the minimum price and the social premium. A few of the *cafeteros* do know about those elements of the Fair Trade certification and another part not or partly. If *cafeteros* see social improvement they often refer to the education that they received from Fair Trade. To sell their coffee with the Fair Trade certification and earn some more need the *cafeteros* to produce a good

quality coffee. To make this possible there was a long implementation period to make sure that the *cafeteros* of CafiMarsella meet the requirements of Fair Trade that create the circumstances to produce factor 89. Now, after five to six years of implementation and three years of being certified is Fair Trade still not well known in Marsella. Besides the *cafeteros* of CafiMarsella barely anybody heard or knows the certification. Even the certified *cafeteros* of CafiMarsella lack often consciousness about the certification. Many associates of CafiMarsella think that it is a special coffee or a quality coffee. Nevertheless there are *cafeteros* who know more about the certification but often only a few parts. So can a *cafetero* know about the social premium but not about the minimum price or the other way around. A few *cafeteros* who are closer related with CafiMarsella due to their functions in the *juntas* do know the Fair Trade certification better and speak enthusiastically about it. They have the perception that the certification can help the associates of CafiMarsella to improve their lives both economically and socially.

To help the *cafeteros* socially there is the social premium of Fair Trade. The last two year they used this money for half of the salary of an employee at CafiMarsella, the audit of Fair Trade, organizing trainings days (*dias del campo*) and building four chemical deposits. Almost none of the *cafeteros* did know that the social premium was invested in those things, although they had to vote during the general assembly to pass that proposal. According to the *gerente* of CafiMarsella and a junta member is yearly the use of the social premium extensively treated. Probably it is the only time a year they hear about the social premium so it is not surprisingly they don't know what happens with it. It would be different if they build a road or a school with it because such a thing is more visible for a *cafetero*. But the coffee business is already well organized in Marsella and thus CafiMarsella doesn't have to use the social premium for roads or schools. The infrastructure that exists for the coffee business is created for a big part by the FNC. They financed roads, aqueducts for drinking water, electricity and schools. As well there are the *extensionistas* for personal support. It causes that CafiMarsella can use the social premium for other things but those are less tangible and/or visible but improve the situation for the *cafeteros*. For example to use of the social premium to pay half of the salary of the coordinator of Fair Trade, she can make sure that the *cafeteros* meet the Fair Trade requirements and produce more coffee with factor 89 and that will benefit themselves and CafiMarsella will receive a higher social premium which they can use for the *cafeteros*.

The perceptions about social and economic improvement of the *cafeteros* differ but overall can be said that in the perception is that the improvement is marginal. On the other hand in my opinion there are social and economic improvements in Marsella due to Fair Trade. The associated *cafeteros* of CafiMarsella are better educated due to Fair Trade; they know more about how not to contaminate the environment and how to produce a good quality with result that their *fincas* are better organized. As well the *cafeteros* can earn a little more with Fair Trade. It is a step to sustainable development because the education strengthens them and gives them more control over their lives. But still is the situation for the *cafeteros* inconvenient. Looking at the five core dimensions of poverty from OECD (2001:38) and to the capabilities approach of Sen (Kuklys 2005:10) looks the situation of the Fair Trade *cafeteros* not bad but many depends on producing the by Fair Trade required factor 89. This requires not only careful working but as well help from nature, if there is too much rain or sun or a plague it becomes hard to produce that quality. As well if there is a price crisis and the *cafetero* can't produce factor 89 he can't benefit from the minimum price and that can result in a vicious circle of producing bad coffee thus no financial support of Fair Trade.

Expected was that Fair Trade would have a considerable influence on the social identity of the *cafeteros*. This turned out to be very marginal. Except a very few do the *cafeteros* of CafiMarsella not identify themselves with Fair Trade. They associate Fair Trade with quality coffee but being a *cafetero* who produces quality coffee they relate to being an associate of CafiMarsella. Besides they often identify with Marsella what they see as a safe and healthy community. This corresponds with the findings of Murray, Reynolds and Taylor (2006:188) about Fair Trade coffee growers in Central America, they identify themselves often with their community or producer organization. Nevertheless has Fair Trade an important influence in the reason why the associates of CafiMarsella produce a quality coffee, it is only often not perceived like that. With trainings and workshops educated Fair Trade the *cafeteros* about how to produce factor 89. The *cafeteros* identify themselves with CafiMarsella and not with Fair Trade, it shows that social capital has influence on the social identity of the *cafeteros*. Nevertheless is the description of Parsons (Christie 1978:260) about the coffee growers in Colombia still noticeable, they pursuit to be free and independent. But they need social capital like the FNC and CafiMarsella to survive and Fair Trade can be a good support within it. Not surprisingly there is identification with those forms of social capital, thus maybe in the near future with Fair Trade as well.

Globalization is about creating, multiplying, stretching and intensifying worldwide social interdependencies and exchanges (Steger 2005:13); Fair Trade is a good example of it. The current impact of Fair Trade in reducing poverty and inequality among the *campesinos* of Marsella is little but it does create a base for the future. Due to Fair Trade the *cafeteros* have more awareness about the extensive coffee business and receive more support to cope with it. Neo-liberalism made the situation for the *cafeteros* difficult, but Fair Trade offers them the possibility to not become a victim of it. If Harford (2012:244) is right that there is a worldwide overproduction of coffee and Fair Trade can't make a difference for millions of coffee producers. Than should Fair Trade start programs to make it possible for those to step over to other products with similar trading circumstances and production requirements, for example lemons, avocados or tangerines because all those and more can be produced in Marsella.

Bibliography

- Akram-Lodhi, A. H.
2007 Land, Markets and Neoliberal Enclosure: an agrarian political economy perspective. *Third World Quarterly*, 28(8):1437-1456
- Altieri, Miguel A.
1999 Applying Agroecology to Enhance the Productivity of Peasant Farming Systems in Latin America. *Environment, development and sustainability*, 1(3/4): 197-217
- Alvarez, Forero J.
2010 Colombian Family Farmers' Adaptations to New Conditions in the World Coffee Market. *Latin American perspectives*, 37(2): 93-110
- Bernstein, Henry and Terence J. Byres
2001 From Peasant Studies to Agrarian Change. *Journal of Agrarian Change*, 1(1):1-56
- Beyeler, Michelle
2006 The Paths to Price Stability: An International Comparison. Bern: Haupt Verlag AG
- Blair, John P. and Michael C. Carroll
2008 Social capital. *Economic Development Journal* 7(3): 42-49
- Brewer, Marilyn and Miles Hewstone
2004 Self and social identity. Malden: Blackwell Publishing Ltd.
- Borras, Saturnino M.
2003 Questioning Market-Led Agrarian Reform: Experiences from Brazil, Colombia and South Africa. *Journal of Agrarian Change*, 3(3): 367:394
- 2003b Questioning the pro-market critique of state-led agrarian reforms. *The European Journal of Development Research*, 15(2):109–132
- 2007 Pro-poor land Reform a Critique. Ottawa: University of Ottawa Press.
- Cancian, Frank
1989 Economic behavior in peasant economies. In *Economic Anthropology* edited by Stuart Plattner. Stanford: Stanford University Press
- Cohen, Anthony
1985 The Symbolic Construction of Community. London: Routledge
- Cornia, Giovanni Andrea and Julius Court
2001 Inequality, Growth and Poverty in the Era of Liberalization and Globalization. UNU World Institute for Development Economics Research
- David, M. Beatriz De A., et al.
2000 The Impact of the New Economic Model on Latin Americans Agriculture. *World Development*, 28(9): 1673:1688

- De Janvry, Alain and Elisabeth Sadoulet
2000 Rural poverty in Latin America Determinants and exit paths. *Food Policy*, 25 (4): 389–409
- Deaton, Agnus
2002 Is World Poverty Falling? *Finance and Development: A Quarterly Magazine of the IMF*, 39(2)
- DeMartino, George, Et al.
2010 Achieving Ethical Trade through Social Tariffs: The Social Index Tariff Structure Regime. Workingpaper series 244
- Fairtrade Labelling Organisations International (FLO)
2011 <http://www.Fairtrade.net>
- Favre, Henri
1983 Cambio y continuidad entre los Mayas de México. Siglo XXI Ediciones
- Fridell, Gavin
2004 The Fair Trade Network in Historical Perspective. *Canadian Journal of Development Studies*, 25 (3):411-428
- 2007 Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice. Toronto: University Press.
- Fridell Mara, Ian Hudson and Mark Hudson
2008 With Friends Like These: The Corporate Response to Fair Trade Coffee. *Review of Radical Political Economics*, 40 (8):8-33
- Field, John
2008 Social Capital. New York: Routledge
- Geiger-Oneto, Stephanie and Eric J. Arnould
2011 Alternative Trade Organization and Subjective Quality of Life: The Case of Latin American Coffee Producers. *Journal of Macromarketing*. 31(3) 276-290
- Giovannucci, Daniele
2003 Chapter 18 in: In Colombia The Economic Foundation of Peace. Washington: The World Bank
- Haight, Colleen
2011 The Problem with Fair Trade Coffee. *Stanford Social Innovation Review*, Summer 2011.
- Harford, Tim
2012 The Undercover Economist. New York: Oxford University Press
- Harris, Richard L., et al.
2000 Critical Perspectives on Globalization and Neo-liberalism in the Developing Countries. Leiden: Koninklijke Brill NV
- Inter-American Institute for Cooperation on Agriculture (IICA)
1989 Annual Report

- Kay, Cristóbal
2006 Rural Poverty and Development Strategies in Latin America. *Journal of Agrarian Change*, 6(4):455-508
- Kuklys, Wiebke
2005 Amartya Sen's Capability Approach: Theoretical Insights and Empirical Applications. Berlin: Springer-Verlag
- Lahiff, Edward, et al
2007 Market-led Agrarian Reform: policies, performance and prospects. *Third World Quarterly*, 28(8): 1417 – 1436
- Larrain, Jorge
2000 Identity and Modernity in Latin America. Cambridge: Polity Press
- Luttwak, Edward
1999 Turbo-Capitalism: Winners and Losers in the Global Economy. New York: Harper Perennial
- Lyon, Sarah and Mark Moberg
2010 Fair Trade and social justice: global ethnographies. New York: New York University Press
- Murray, Douglas L., Laura T. Reynolds and Peter L. Taylor
2006 The future of Fair Trade coffee: dilemmas facing Latin America's smallscale producers. *Development in Practice*, 16(2):179-192
- Organization for Economic Co-operation and Development (OECD)
2001 The DAC Guidelines; Poverty reduction
- Pillai, Vijayan K., et al
2011 Democratic attitudes and social capital in Latin America. *International Social Work* 54(6): 767–779
- Portes, Alejandro and Kelly Hoffman
2003 Latin American Class Structures: Their Composition and Change during the Neoliberal Era. *Latin American Research Review*, 38(1):41-82
- Putnam, Robert D.
1993 Making Democracy Work. Princeton: Princeton University Press
- Reynolds, Laura T., et al.
2004 Fair Trade Coffee: Building Producer Capacity Via Global Networks. *Journal of International Development*, 16(8): 1109–1121
- Reynolds, Laura T., et al.
2007 Regulating sustainability in the coffee sector: A comparative analysis of third-party environmental and social certification initiatives. *Agriculture and Human Values* 24(2):147–163

- Renard, Marie-Christine
1999 The Interstices of Globalization: The Example of Fair Coffee. *Sociologia Ruralis*, 39(4): 484-500
- Robertson, Roland
1992 Globalization: Social Theory and Global Culture. London: Sage Publications Ltd
- Scholte, Jan Aart
2002 What Is Globalization? The Definitional Issue – Again. CSGR Working Paper
2005 The Sources of Neoliberal Globalization. United Nations Research Institute for Social Development, Overarching Concerns Programme, Paper Number 8.
- Shimko, Keith L.
2009 International Relations; Perspectives and Controversies. Boston: Wadsworth
- Steger, Manfred B.
2005 Ideologies of globalization. *Journal of Political Ideologies*, 10(1): 11–30
2010 Globalization. New York: Sterling Publishing Co., Inc.
- Stiglitz, Joseph E. Aymarta Sen and Jean-Paul Fitoussi
2009 Report by the Commission on the Measurement of Economic Performance and Social Progress.
- Tucker, Catherine M.
2010 Coffee culture: Local experiences, global connections. New York: Routledge
- Vakila, Joni and Anja Nygren
2010 Impacts of Fair Trade certification on coffee farmers, cooperatives, and laborers in Nicaragua. *Agriculture Human Values* 27(3):321–333
- Veltmeyer, Henry and Tom Brass
2003 Latin American peasants. London: Frank Cass Publishers
- Wade, Robert Hunter
2004 Is Globalization Reducing Poverty and Inequality? *World Development* 32(4):567–589
- Wasserstrom, Robert
1983 Class and society in central Chiapas. Berkeley: University of California press
- Worchel, Stephan
1998 Social Identity; International Perspectives. London: Sage Publications Ltd.
- World Development Reports (WDR)
2000/2001 Attacking Poverty. Oxford: University Press USA