COFFEE AND FLOWERS

Recent Research on Commodity Chains, Neoliberalism, and Alternative Trade in Latin America

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Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice. By Gavin Fridell. Toronto: University of Toronto Press, 2007. Pp. 347. $50.00 cloth, $29.95 paper.

Brewing Justice: Fair Trade Coffee, Sustainability, and Survival. By Daniel Jaffee. Berkeley: University of California Press, 2007. Pp. 331. $55.00 cloth, $21.95 paper.

Organic Coffee: Sustainable Development by Mayan Farmers. By María Elena Martínez-Torres. Athens: Ohio University Press, 2006. Pp. 176. $22.00 paper.

Favored Flowers: Culture and Economy in a Global System. By Catherine Ziegler. Durham, NC: Duke University Press, 2007. Pp. 306. $79.95 cloth, $22.95 paper.

There has recently been a small boom in both academic and popular writing on commodities. These works are often written as a way to explore and contextualize the neoliberal globalization of the past several decades. But there are many different ways to approach commodities. In a critical review of the genre, the literary scholar Bruce Robbins asks, "Looking through a commodity to the human relations behind, what exactly should one see? Capitalism? Class? Culture? The state? After all, what is the right way to describe a commodity?"[1] There has never been a single answer to this question, of course. For a half century, many Latin Americanists have framed accounts of commodities and global trade using structuralist analyses, such as dependency theory and world-systems theory. More recently, however, they have also started using newer academic tools, such as versions of the global commodity chain, an approach which, according to its advocates, allows for a more "flexible and empirically satisfactory model with which to explain global trade" than does world-systems

1. Bruce Robbins, "Commodity Histories," *PMLA* 120, no. 2 (2005): 454–463.

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theory.[2] This approach also shifts attention to the chain as a whole, rather than emphasizing production or consumption alone. Partly as a result of this change in emphasis, there are no a priori assumptions about where power is located along the chain.

Academic innovation also reflects profound changes in the commodities studied and in the human relationships behind them. The process of neoliberal globalization that began in 1980 has profoundly changed the world of commodities in Latin America, as it has elsewhere. In response to these changes, commodity producers in Latin America have been forced to innovate. Some have taken up new crops—in just one generation, for example, Latin America has become one of the world's leading exporters of cut flowers. Catherine Ziegler explores this new commodity chain in *Favored Flowers: Culture and Economy in a Global System*. Other producers have been involved in the construction of new kinds of commodity chains. The coffee commodity chain, in particular, has long been a locus of innovations in production, trade, and consumption.[3] Specialty coffees ("yuppie coffees") became popular in the 1970s and 1980s.[4] More recently, some coffee producers have experimented with so-called ethical commodity chains such as fair-trade and certified organic coffee. In a pioneering article, Robert Rice characterized ethical coffees as an attempt to restructure "from below." At the time, he noted, these small coffee producers "face stiff challenges—both internal and external to their group."[5] Gavin Fridell's *Fair Trade Coffee*, Daniel Jaffee's *Brewing Justice*, and María Elena Martínez-Torres's *Organic Coffee* use a range of the theories described herein to assess how well coffee producers have navigated these challenges so far and to consider how (and whether) ethical coffees offer a model for generating more broad-based development.

Fridell seeks to situate fair trade within the broader context of the global economy. His goal is to create a theoretically informed exploration

2. Steven Topik, Carlos Marichal, and Zephyr Frank, "Commodity Chains in Theory and in Latin American History," in *From Silver to Cocaine: Latin American Commodity Chains and the Building of the World Economy, 1500–2000,* 1–24 (quotation at 14; Durham, NC: Duke University Press, 2006).

3. William Gervase Clarence-Smith and Steven Topik, eds., *The Global Coffee Economy in Africa, Asia, and Latin America, 1500–1989* (Cambridge: Cambridge University Press, 2003); William Roseberry, Lowell Gudmundson, and Mario Samper Kutschbach, eds., *Coffee, Society, and Power in Latin America* (Baltimore: Johns Hopkins University Press, 1993); Nina Luttinger and Gregory Dicum, *The Coffee Book: Anatomy of an Industry from Crop to the Last Drop,* revised ed. (New York: The New Press, 2006).

4. William Roseberry, "The Rise of Yuppie Coffees and the Reimagination of Class in the United States," *American Anthropologist* 98, no. 4 (1996): 762–775.

5. Robert A. Rice, "Noble Goals and Challenging Terrain: Organic and Fair Trade Coffee Movements in the Global Marketplace," *Journal of Agricultural and Environmental Ethics* 14 (2001): 39–66 (quotation at 62).

of fair trade as a tool for development, drawing in particular on a Marxist and Polanyian understanding of capitalism and trade. Fridell makes an important and useful distinction between the fair-trade network and the fair-trade movement. The fair-trade movement of the mid-twentieth century consisted, in Fridell's view, of national and international commodity agreements, price stabilization schemes, and trade rules that regulated commodity trade to promote fairer global trade. The International Coffee Agreement (1963–1989) was one such agreement. Although none of these efforts proved a panacea for the structural boom-and-bust cycles that plagued the global coffee market, they did represent valuable local state-led attempts to promote development. The fair-trade movement began to decline in the 1970s, as powerful governments and multilateral organizations abandoned it in favor of market-led development.

The fair-trade network—the one more familiar to coffee drinkers everywhere—was a subset of the fair-trade movement. The network has roots in alternative trade organizations (ATOs), including nongovernmental organizations, church groups, and cooperatives (e.g., Oxfam and the Mennonite Central Committee) in Latin America, Europe, and North America. The initial goal was to create an alternative to capitalist markets, one that would produce more equitable relationships between producers and consumers. The market for fair-trade goods stagnated in the 1980s, and so ATOs began to look for ways to expand their markets. They developed fair-trade labeling, a strategy by which commodities traded by conventional companies could receive certification if they met a particular set of standards. This promoted a tremendous expansion in sales of fair-trade goods but also a crisis within the fair-trade network. As Fridell succinctly puts it: "the fair trade vision has changed from an alternative trading network composed of small ATOs dealing exclusively in fair trade products, to a market niche driven by the interests of giant conventional corporations with minor commitments to fair trade given their overall size" (6). Much of Fridell's book deals with this emergent and central tension in the fair-trade network between groups that see fair trade as an alternative to global capitalism and others that see it as a way to gain a competitive advantage within the structures of global capitalism.

Fridell complements his theoretical and historical discussion with case studies of both producers and consumers. On the producing side, he looks at the Unión de Comunidades Indígenas de la Región del Istmo (UCIRI) in the state of Oaxaca, Mexico, "one of the most successful fair trade cooperatives in the world" (174). UCIRI has improved its members' lives in many ways—from higher prices for its coffee to improved social and economic infrastructure (e.g., schools, a medical clinic) and efforts to combat gender discrimination and ethno-racism. But Fridell also notes some troubling trends. UCIRI has signed a contract to sell some of its coffee to the French chain Carrefour, but on the condition that the coffee not be independently certified as fair trade. On the consuming side, Fridell looks at two organizations in Canada. As an example of traditional ATOs, he discusses Planet Bean, a fair-trade coffee roaster in Guelph, Ontario. Planet Bean's owners are committed to fair trade and to promoting social justice at home and abroad, but the company is small and its prospects for growth are limited. As an example of corporate involvement in fair trade, Fridell looks at Starbucks, the global specialty-coffee roaster. Starbucks has a much greater potential for growth, but a (very) limited commitment to selling fair-trade beans. Ironically, ATOs such as Planet Bean find themselves competing in the fair-trade market with large corporations such as Starbucks.

Drawing on E. P. Thompson's notion of a moral economy, Fridell concludes that there is a "discord between [the fair-trade network's] developmental impact and its broader moral and political objectives" (283). By the early twenty-first century, the network was challenging neither the imperatives of capitalism nor the fetishization of commodities. In Fridell's view, the current pro-market, non-statist, and voluntarist orientation has limited the network's potential to achieve its moral goal of promoting broad-based development. In his conclusion, Fridell misses an opportunity to return to explicit discussion of the fair-trade movement. If the fair-trade network is to recover its original goals, it is most likely in the context of a revitalized fair-trade movement that once again promotes fairer global trade justice not only through markets but also through international agreements supported by states and international organizations.

Fridell's work will interest a broad audience, from specialists in development and political scientists, to people actively engaged in promoting fair trade. With its strong emphasis on theory, it is probably most useful for advanced undergraduates, graduate students, and researchers. Fridell's theoretical insights into conflicts within the fair-trade network should help fair-trade activists produce concrete policies to guide their future work.

Jaffee's *Brewing Justice* independently arrives at many of the same conclusions. Jaffee, a sociologist, identifies an emergent "fair-trade paradox," ultimately a struggle over the identity of fair trade. Although these visions represent the extreme ends of a continuum, rather than simple polar opposites, some advocates of fair trade see it as a movement committed to promoting global social justice, whereas others see it as market. Like Fridell, however, Jaffee believes that the critical change in fair-trade coffee took place when it moved into the mainstream, as fair-trade labeling allowed large coffee retailers to sell fair-trade coffee. This move, he argues, was accompanied by a de-radicalization of fair trade. The mainstreaming of fair-trade coffee in the past decade also coincided with one of the worst economic crises that the coffee industry has experienced.

The heart of *Brewing Justice* is a detailed empirical study of fair-trade and organic coffee production by several small communities in the Mexican state of Oaxaca. Jaffee systematically compares the fair-trade and organic growers of the Michiza cooperative with their neighbors who produce conventional coffee. Several chapters ask the hard question: what difference does fair trade make to producers? Jaffee's answer can be summarized in the words of one informant: "mejor, pero no muy bien que digamos" ("[the organization members] are a little better off, but you wouldn't say great" (236). On the basis of surveys of fifty-two families, including conventional and fair-trade farmers, Jaffee finds that during times of crisis, everyone was losing money. The net income of fair-trade households was not much different from that of their conventional neighbors; the higher prices they received for their coffee were largely offset by the additional wages they had to pay to produce it. These wages, however, did diffuse the economic benefits of fair trade throughout the community. Fair-trade households also seemed somewhat better able to manage the problems of food security and migration that afflicted conventional farmers. Still, only 10 percent to 20 percent of coffee farmers have decided to produce fair-trade, certified-organic coffee. Jaffee found that many farmers perceive this specialty production as involving a lot of additional hard work for only minimal benefits. He concludes bleakly that these farmers "remain impoverished, even if they are somewhat better off than their conventional neighbors," and that fair trade has not brought "an end to poverty: it simply prevents further deterioration" (237–238).

In addition to these critiques, *Brewing Justice* also contains valuable insights into the contemporary coffee trade. First, Jaffee managed to hold brief interviews with two *coyotes*—local buyers for conventional coffee (who are not to be confused with coyotes who smuggle people across borders). In discussions of fair-trade coffee, coyotes are often portrayed as shadowy figures who take advantage of farmers. Jaffee paints a more nuanced (though still critical) picture of their role in the community and explains why many coffee producers prefer to deal with coyotes rather than join a cooperative. Jaffee's other key insight is that coffee farmers often identify far more strongly with certified organic production than they do with fair trade. Organic producers cultivate their coffee differently than do neighbors who produce conventional coffee. Jaffee finds that even conventional farmers are adopting some of the same techniques as organic farmers. Nonetheless, he also observes that farmers who cultivate organic coffee are under constant pressure to meet the changing and increasingly stringent international standards required to obtain organic certification. Jaffee quotes a Mexican extension agent who characterized the certification standards as "ecological neo-colonialism" (152), though Jaffee also shows that farmers are not simply accepting these standards passively.

Brewing Justice is a measured, thoughtful book. Jaffee concludes that fair trade delivers benefits, but that it is not a panacea. Rather than arguing that fair trade be abandoned, he argues that it should be strengthened at several levels. At the most fundamental level, advocates of fair trade should clarify their goals and address the tension between the movement and the market. Even so, he concludes that markets alone cannot provide economic and social justice. The ultimate goal should be to make all trade fair. For that, voluntary, market-based solutions are not enough. Jaffee moves gracefully between the global and the local. He paints a vivid picture of how coffee producers live and work; the book is populated by individuals, as well as by organizations and global structures.

María Elena Martínez-Torres's *Organic Coffee: Sustainable Production by Mayan Farmers* is a concise and compelling overview of coffee production in Mexico before and after the coffee crisis of the 1990s. She explores the connections between social capital and natural capital, arguing that the existing social capital of coffee farmers—their organization and networking—allowed them to take advantage of new niches in global markets. In turn, these organized groups made investments in natural capital through organic farming, which increased both the yield and the profitability of their farms. Martínez-Torres argues that these interactions have together contributed to the organic coffee boom in Mexico and provided an "alternative to poverty and environmental degradation" (138).

After several chapters on the history and ecology of coffee, Martínez-Torres turns to her case study in Mexico. She develops a typology of coffee cultivation, distinguishing organic cultivation from natural and intensified (or "technified") production. Natural coffee farms represent the traditional form of cultivation in Mexico, with some use of shade. Intensified coffee production was introduced to Latin America in the 1970s and 1980s. Such farms are characterized by the elimination of most shade, the cultivation of high-yield hybrid coffees, and the intensive use of chemical fertilizers and pesticides. Organic cultivation can also be intensive but in a different way. It involves the intensive use of labor to produce and apply organic inputs. Although the main goal of intensified coffee production is yield, that of organic coffee production is sustainability. Martínez-Torres contrasts the intensification driven by "science-based, or 'modern' agriculture" with the "sustainable intensification" of organic farming (81). This common, yet misleading, use of terminology fails to capture the complex role of science, technology, and modernity in both programs of intensification and the changing relationship between scientists and farmers. Sustainable intensification is also science based: it draws heavily on the sciences of botany, ecology, agroecology, and agroforestry, among others. Perhaps a more accurate description of the two types of intensification is "chemical intensification" and "ecological intensification."

Martínez-Torres's study is based on a survey of 150 families from six coffee cooperatives in the major coffee zones of Chiapas. She finds instances of all technologies (natural, intensified, and organic) on farms of all sizes, with organic production strongest on the smallest farms. She does not indicate whether farmers in Chiapas find the requirements for organic certification burdensome. Given Jaffee's account of farmers in Oaxaca, this question would be worth addressing in a future study.

Martínez-Torres takes pains to debunk the common myth that organic farming is considerably less productive than intensified farming. She compares the productivity of coffee farms of all sizes across the state, and concludes that yields on organic farms are only slightly lower than on intensified farms. She questions the value of coffee yields as a measure of a farm's productivity, suggesting that gross income is a better measure. She calculates that the gross income of organic farms is virtually the same as that of intensive farms. But she does not explore an even better measure, which is net income (the measure that Jaffee uses). In particular, the labor costs of organic production represent a major expense. These costs are perhaps not as significant in Chiapas as they are in Oaxaca; small coffee farms in Chiapas can draw more heavily on their own (unpaid) family labor, which keeps costs down.

If the economic benefits of organic farming are still debatable, its ecological benefits are undeniable. The careful terracing of coffee plants and farms has helped to stave off soil erosion. The accumulation of leaf litter and humus enrich the soil. The biological diversity of shade trees (not just the amount of shade) has also proved to enhance the yield of organic farms. Over the long run, these factors will help to make organic coffee farms not only profitable but also sustainable. And, as Martínez-Torres notes, "the ecological variables of today often become the economic variables of the future" (120). She concludes that this interaction between natural capital and social capital ultimately provides an "alternative to poverty and to environmental degradation" (138). This finding is broadly consistent with the other works on coffee reviewed herein. Organized coffee farmers (those with the highest social capital) have arguably been in the best position to take advantage of opportunities presented by the current global coffee market. As does Jaffee, Martínez-Torres shows that many coffee farmers have embraced organic farming and powerfully demonstrates that organic coffee has done a great deal to forestall environmental degradation and promote sustainability. She does not, however, make a fully convincing case for organic coffee as an "alternative to poverty." The organic coffee boom still ultimately depends on global markets, which may not continue to provide growers with the premium upon which this vision of sustainability depends.

Some commodity producers in Latin America have responded to the new global economy by embracing new export crops, such as cut flowers. Colombia and Ecuador now rank among the principal exporters of cut flowers to the United States, and Miami now ranks as a major hub in the global flower trade. Catherine Ziegler's *Favored Flowers: Culture and Economy in a Global System* explores these transformations in the cut-flower commodity chain in the United States over the past century. She looks at the entire commodity chain, and Latin American producers are just part of the story. Her account is an ethnography based on interviews with people ranging from flower producers in the United States and around the world to intermediaries (wholesalers and retailers) and consumers, especially in the New York metropolitan area. Ziegler argues that the U.S. flower trade became globalized after 1970; in the previous century, Americans primarily consumed domestically grown flowers. Over this period, flower consumption in the United States followed a process of democratization similar to that of other commodities. Flowers began as an item of luxury consumption but were gradually taken up as an affordable luxury by the middle classes. After 1970, the liberalization of trade and innovations in long-distance transportation gave flower growers overseas a competitive advantage.

In the 1980s, the flower market segmented into a specialty chain and an abundant chain, paralleling similar developments in coffee and other commodities. In the abundant chain, flowers began to make their way into new venues: convenience stores, street vendors, supermarkets, and superstores such as Sam's Club and Costco. The expansion of flower cultivation in Latin America was not due to market forces alone. In 1991, South American producers got additional help from the Andean Trade Preferences Act, which eliminated most tariffs on imports of flowers to the United States as a way to promote industries that offered an economically viable alternative to cocaine production. Ecuador's cut-flower industry currently employs about fifty thousand people, some 60 percent of whom are women. Ziegler paints a generally positive view of labor and health practices on these farms, though she recognizes that there has been some controversy over occupational health.

Ziegler systematically compares flower production in the Netherlands and Ecuador, exploring the different political, economic, and institutional conditions that shape their places in the global flower trade. Dutch flower farms tend to be quite small (roughly one hectare), but Dutch flowers are of much higher value than are South American flowers. Dutch flower growers are also organized into groups and receive a wide range of support from the state, which facilitates both trade and innovation. In contrast, flower farms in Latin America are much larger on average (eighteen hectares) and tend to be run by family companies with only limited state support. Like the Dutch, flower growers in Latin America are located in geographical clusters; unlike the Dutch, they do not collaborate much. Latin American flower growers do not innovate as quickly. Although Ziegler does not use the term explicitly, she seems to be arguing that Dutch flower growers have higher social capital than do Latin American growers.

Most studies of commodity chains say comparatively little about the intermediaries in the chain. Ziegler's study, in contrast, devotes several chapters to the wholesalers and retailers, who, she argues, govern the cut-flower chain. She argues that intermediaries enjoy this power because they have mastered complex knowledge about constantly changing supply and demand for cut flowers, as well as the external conditions that shape trade. Unlike other commodities, flowers cannot easily be graded or standardized, so assessments of quality (and by extension value) depend heavily on personal relationships and trust among producers, traders, and consumers. Institutions do not seem able to manage this information as well, and therefore most attempts to vertically integrate the chain have failed. The one exception to date is Dole Fresh Flowers, founded in 1998, which owns farms in Colombia and a wholesale business in Miami. The flower trade has not yet been brought under the control of any single monopoly.

For readers interested in Latin America, *Favored Flowers* provides a valuable global context for the flower boom that has taken place there since the mid-1960s. It systematically compares flower producers in Latin America with those elsewhere, highlighting some of the region's advantages and disadvantages in the global market. It presents a fluid and contingent view of global commodity chains that is strikingly different from more structuralist accounts of commodity exports from Latin America. Here, people at every step of the chain exercise some degree of agency, even if this agency is constrained by political, social, or economic structures. Ziegler neither celebrates nor denounces the global economy; rather, she treats it as one of the "external forces" that foster and constrain the exchange of flowers (228). It is one of the forces that shape the commodity chain, but not the only one.

Taking these works on coffee and flowers together, it is possible to make some general observations. First, a great deal of innovation is being driven by small and medium-sized producers. According to traditional accounts of coffee (and other commodities), large, elite producers were the bearers of progress. Now, some of the most important innovations in the commodity chain (fair trade, certified organic) are carried out by indigenous peasant farmers—historically among the most marginalized groups in global trade. Smallholders are active agents in the global commodity chain, not simply passive victims of global structures.[6] As Ziegler's study suggests, researchers need to pay more attention to the limitations and constraints that large corporate players face.[7] For example, Starbucks

6. Topik and Clarence-Smith, "New Propositions and a Research Agenda," *The Global Coffee Economy*, 385–410.

7. Several studies of the banana trade have done this well. See John Soluri, *Banana Cultures: Agriculture, Consumption and Environmental Change in Honduras and the United States* (Austin: University of Texas Press, 2005); Steve Striffler, *In the Shadows of State and Capital: The United Fruit Company, Popular Struggle, and Agrarian Restructuring in Ecuador, 1900–1995* (Durham, NC: Duke University Press, 2002).

has recently been struggling with declining sales, and it lost a trademark battle with Ethiopia.[8]

Second, these works have identified an ongoing crisis in the fair-trade commodity chain, which is being both transformed and aggravated by the growing role of large corporations. This crisis is not limited to fair-trade coffee alone. TransFair USA, the national organization for certifying fair-trade goods, has recently begun certifying flowers. Unlike coffee, the fair-trade flower commodity chain appears to have been dominated by large corporations from the start. Sam's Club, a subsidiary of Wal-Mart, is a major distributor of fair-trade flowers in the United States.[9]

Third, these works highlight the need for more comparative studies, along a number of analytical axes, of how commodities have responded to neoliberal globalization. Comparisons could help isolate the key variables in commodity chains. For example, comparing several fair-trade commodity chains (e.g., coffee, sugar, bananas, cacao, flowers) could reveal more dimensions to the problems and potentials of fair trade than could a study of coffee alone. Likewise, comparing fair-trade coffee production in several countries could shed light on how national context promotes or inhibits the development of fair trade.[10]

Returning to Robbins's question, What should we see when we look through commodities to the human relations behind them? The global commodity chain approach allows for multiple, simultaneous answers: we can see class, capital, and culture, and many other things besides. At the same time, the studies of coffee and flowers reviewed here show that commodity chains have been fundamentally transformed by the declining power of states and the increased power of capital.

8. BBC News, "Starbucks in Ethiopia Coffee Row" (accessed February 4, 2008, at http://news.bbc.co.uk/2/hi/business/6225514.stm).

9. See http://www.transfairusa.org/content/flowers (accessed February 4, 2008).

10. Steven Topik and Mario Samper Kutschbach compare national conventional coffee chains in "The Latin American Coffee Chain: Brazil and Costa Rica," *From Silver to Cocaine* (Durham, NC: Duke University Press, 2006), 118–146.