

**From coffee crisis and vulnerability toward empowerment?
Nicaraguan smallholders use cooperative, Fair Trade and organic
coffee networks to sustain rural livelihoods**

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Abstract

This paper analyzes the coffee crisis and response in northern Nicaragua. It proposes livelihood vulnerability and gendered empowerment as conceptual approaches to evaluate the complex interactions between farmers, local organizations and sales to Fair Trade, organic and conventional coffee networks. The findings suggest the importance of cooperatives as the key intermediary organizations that can provide spaces for empowerment to member farmers and broker participation in alternative trade and international development networks. The findings also suggest that different organizing practices, including the formation of an all women's cooperative, can have more influence on livelihood outcomes than farm gate coffee prices. Collectively these case studies show the uneven consequences and appropriations as transnational networks intersect with local organizations and rural livelihood projects. A concluding discussion about certifications, vulnerabilities and the gendered empowerment process show new ways that local organizations engage both civil society and markets in *la lucha para la vida*.

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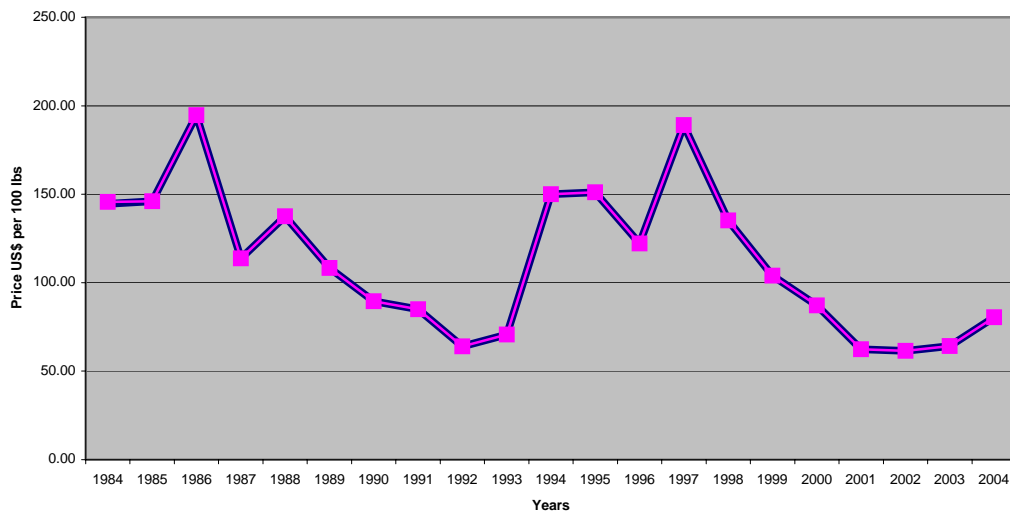
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1. CHANGING GLOBAL COFFEE MARKETS

The restructuring of the global coffee industry including the disintegration of the international coffee agreement in 1989, market liberalization, corporate consolidation, increasing production and a worldwide coffee glut have plunged commodity prices to their lowest levels in a century (Ponte 2002a; Ponte 2002b). However, increasing consumer awareness regarding issues of quality, taste, health and environment have created a growing demand for specialty and eco-labeled (i.e. organic, bird-friendly, and Fair Trade) coffees (Rice 2001). Specialty and eco-labeled coffees offer price premiums. The volumes of coffee moved through specialty, organic and Fair Trade commodity chains remain relatively small and must be set within the context of changing global coffee markets.

In the last four years, green coffee prices have fallen from US\$1.20/lb to between US\$ 0.45 and 0.75/lb before rebounding to over \$1.00/lb (see Figure 1).

Figure 1: International coffee prices



Source: Average yearly prices for arabica coffee beans (other milds) from International Coffee Organization 2005

The impacts from this price crash continue to devastate rural economies and threaten the biodiversity associated with traditional coffee production (IADP 2002).

Permanent employment in Central America's coffee sector has fallen by more than 50% and seasonal employment by 21% (IADP 2002). In Matagalpa Nicaragua, falling coffee prices have accelerated migration to urban poverty belts. A walk through a coffee farming community in Coto Brus, Costa Rica reveals eroded hillsides where farmers recently replaced coffee agroforestry systems with treeless cattle pastures. Since the 1999/2000 harvest the value of Central American coffee exports has fallen from US\$ 1.678 billion to US\$ 938 million in 2000/01 and an estimated US\$ 700 million for the 2001/02 harvest (IADP 2002). Declining export revenues have created debts to coffee farmers, exporters, cooperatives and banks that exceeds US \$100 million. As debt in the coffee sector increases, banks have foreclosed on farms and export companies.

The changing structure of the global coffee commodity chain has led to declining prices paid to producers. Since the fall of the International Coffee Agreement, producers' share of the final retail price has fallen from 20% to 13% (Talbot 1997). Historically, coffee producing countries in Latin America, Asia and Africa captured close to 55% of the coffee dollar, significantly more than many other tropical export crops such as bananas and cacao. However, power shifts to the retailing and roasting end of the commodity chain and production trends have decreased producing countries' share to an estimated 22% (Talbot 1997). These are the trends in the conventional green coffee market which in 1999/2000 moved an estimated 102.5 million 60kg sacks of coffee with a wholesale value of US\$ 14 billion (SCAA 1999). These dominant trends mask the growth and emergence of specialty and certified coffees.

The North American specialty coffee market, which continued annual growth rates at 5-10%, reached an estimated retail value of 7.8 billion dollars by 2001. This rapid growth contrasts to slow demand growth for bulk commercial grade coffees. Unheard of thirty years ago, the specialty or gourmet market segment represents 17% of US coffee imports by volume and 40% of the retail market by value

(Giovannucci 2001). The US purchases one quarter of internationally traded coffee in the world (Giovannucci 2001).

Small-scale specialty roasting companies pioneered the introduction of organic and Fair Trade coffees into the USA and helped the specialty coffee market become the most active space for eco-labeling in the food sector. Nearly all eco-labeled coffees are also considered specialty coffee. The North American retail market for certified organic, Fair Trade, and shade grown coffee is approximately US\$188 million. The estimated worldwide retail value of these coffees is roughly US\$530 million (Giovannucci 2001). Despite their relatively small market share, coffee roasters and retailers anticipate rapid and sustained growth for certified coffees.

Certified organic coffee currently accounts for 3-5% of the US specialty coffee retail market and remains the most widely recognized eco-label (Giovannucci 2001). In workshops, Nicaraguan farmers often list the following among their motivations for moving toward certified organic production: It is safer for the family and children without agrochemicals on the farm, it lowers expenditures for synthetic inputs, it is better for the environment and it helps protect the water. In Latin America thousands of coffee, cocoa, vegetables and fruits farmers have solicited and received organic certification.ⁱ Mexico exported the first organic coffee and remains a pioneer in organics industry (Nigh 1997). While health remains consumers' primary motivation for purchasing organic products, development agencies, environmental activists and many farmers' associations also support the certification for the ecological benefits gained from eliminating synthetic pesticides and fertilizers. Coffee covers an estimated 2.8 million hectares in Mexico, Colombia, Central America and the Caribbean. While some of this coffee is produced without shade trees, farmers grow more than 60% under the shade of native and exotic trees. These shade coffee landscapes conserve biodiversity, soil, and water (Méndez 2004; Perfecto 1996).

In contrast to organic certification, which is a set of standards that regulates inputs and practices in the **production process**, Fair Trade certifies the **trade process**.ⁱⁱ Fair Trade supporters believe that trade has the potential to either exploit or empower producers in the global South. Fair Trade advocates refute the basic neoliberal assumption that expanded trade will increase social and environmental benefits for everybody, and assert that North-South trade relations are plagued by power inequalities and exploitation. Four international Fair Trade associations define Fair Trade as follows: “Fair Trade is a trading partnership based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade (IFAT 2004).”

2. FROM LIVELIHOOD VULNERABILITY TOWARDS EMPOWERMENT

(a) Livelihood vulnerability framework

The livelihood vulnerability framework offers a common approach for both economic crisis and natural disasters (Combes 2002; Moser 1998). This approach examines causes, impacts on household well being and household response or resiliency after the change (Blaikie 1994). Vulnerability contains an external source of stress and an internal component describing the exposure and response to this shock as it is interpreted through the socio-ecological relationships that shape farmer livelihood projects. These descriptions of livelihood vulnerability respond to critiques of a narrow focus on income-based definitions of poverty and draw from Sen’s pioneering work on assets, entitlements and famines. (Moser 1998; Salafsky 2000; Scoones 1998; Sen 1981; Sen 1997; Shankland 2000).

Livelihood refers to the means of gaining a living, including the tangible and intangible assets that support an existence (Chambers and Conway 1992).

Bebbington added a cultural component to the material and economic focus behind livelihood assets, simply defining livelihoods as the way people make a living and how they make it meaningful (Bebbington 2000). The addition of meaning into the definition of livelihoods provides a theoretical space for including farmer perceptions and narratives, and an entry point for beginning to understand the subjective feelings of well being and empowerment. In this way, livelihood vulnerability = livelihoods (material and intangible assets) + (exposure to) a stress or shock.

When vulnerable livelihood assets are exposed to a stress, the stress can diminish the asset's productivity or quality and/or limit access. This results in declining resource flows to the households. Non-tangible assets, such as kin and friendship networks are often the most important relationships that households mobilize to reduce vulnerability. Household livelihood projects that are exposed to a stress will likely reallocate their assets to cope with the declining quality of life (Skoufias 2003). Previous studies have documented a wide variety of coping mechanisms to reduce damages and survive crises, many of these mechanisms such as pulling children out of school to avoid expenses can diminish long-term development potential and maintain households in a "poverty trap" (Skoufias 2003; Varangis et. al. 2003). Other common coping mechanisms include migration, increased borrowing, crop substitution and decreasing inputs. Households will decide to reallocate their assets according to their perceptions and capabilities.

(b) From vulnerability toward gendered empowerment

The coffee prices crisis is not a monolithic force spreading across a flat coffee producing world, instead the lower prices unfold through thousands of trade networks, including those organized around more alternative (organic and Fair Trade) and conventional ideas. These networks themselves connect--or do not connect-- into a heterogeneous landscape of social and ecological relationships formed through decades of local organizing practice. Coffee farm households

simultaneously use multiple relationships including their farm, family networks and cooperative organizations both resist and respond to the crisis.ⁱⁱⁱ The second component of this research evaluates the response process through the lenses of empowerment. An empowerment approach describes the process and outcomes as people and groups struggle to achieve their self-defined goals.

Empowerment is a contested word and a process that is full of context dependent meanings and ideas about power and social change (Rowlands 1997). An approach to empowerment suggests interrelated theories about power, participation, poverty and social change (Friedmann 1992; Pimbert 2001). In this paper, I employ empirical case studies to explore these issues. This paper does not directly engage debates around structure/agency and power, nor does it ask why empowerment has resurfaced as a buzzword within the more mainstream development discourse.^{iv} Instead, I draw on development studies and feminist scholarship to create a functional framework that, like the livelihood vulnerability framework (Bacon 2005); Sen 1997), takes a multi-dimensional approach to exploring power and the empowerment process.

The global gap in sex equality, and the staggering statistical evidence documenting that women around the world are less well nourished than men, less healthy, earn less income for the same jobs, are less likely to be literate and more vulnerable to physical violence and abuse suggests examining empowerment through a gender in development prism (Moser 1989; Nussbaum 2000; Young 1993). Gender in development approaches follow scholarship and programmatic action including world conferences on women and changes within the United Nations that started with the identification of sex inequalities and a women and development framework and then moved toward a more systematic understanding of gendered patterns in the larger political, economic, psychological and cultural structures that contributed to inequality and a gender and development framework. Thus, questions of women's empowerment are not simply a women's issue, instead they

refer to deeper structures and processes that relate to gender and development (Rowlands 1997).

Empowerment refers to the ability of individuals and groups to act on their own to achieve their self-defined goals. A definition more commonly used in social work defines empowerment as "The process by which people, organizations or groups who are powerless (a) become aware of the power dynamics at work in their life context, (b) develop the skills and capacity for gaining some reasonable control over their lives, (c) exercise this control without infringing upon the rights of others and (d) support the empowerment of others in the community." (McWhirter 1991). Sub component (a) draws on ideas of critical consciousness advanced by Paulo Friere (Freire 1985) and the necessity for individuals and groups to share a critical reflection regarding their current position in a changing society. Friere's ideas remain a cornerstone for most emancipatory approaches to empowerment. Sub component (b) concerns the development of the skills and capabilities for reproducing aspects of life and culture that are important to a group or individual engaged in this process. Sub component (c) shows an attention to the interrelated and contested nature of the empowerment processes, and the idea that one person's empowerment can result in another's oppression unless definitions of empowerment are also tied to human rights. Finally, sub component (d) suggests that the empowerment process can be cyclical and possibly mutually reinforcing as more participants become involved.

A process approach to empowerment interrogates not only what actions are taken (outcomes), but also evaluates how it was done and who did it (nature of the action) (Zenz 2000). A cyclical notion of empowerment as process is tied to the idea of praxis. Both Friere and the second-wave feminists, who pointed out that the "personal is political" highlight the importance of an iterative and contested dialogue between critical interpretation, political action, change and new positions within a larger social context (Carr 2003). Rowland proposes an approach that examines material and non-material changes as they relate to three dimensions of

women's empowerment. These dimensions include the personal (self esteem, confidence, and the ability to meet basic material and non-material needs), the relational (the ability to shape and influence relationships and avoid exploitation) and the ability to participate in collective action and reflection (Rowlands 1997). While Rowlands provides the methodologically operational approach for this study, her focus remains closely tied to social psychology and this can be complemented by Zenz's approach that follows Luke's three faces of power (Lukes 1974). Zenz's four dimensional approach proposed to World Vision for project evaluation adds Rowland's attention to the personal issues of confidence, self-esteem and the ability to command resources in the immediate environment to the three dimensions of empowerment listed below:

1. To develop the ability to access and control material and non-material resources and to effectively mobilize them in order to influence decision outcomes.
2. To develop the ability to access and influence decision-making processes on various levels (household, community, national, global) in order to ensure the proper representation of one's interests (also described as getting a "voice"). (This usually requires the formation of local organizations to facilitate collective action)
3. To gain awareness of dominant ideologies and of the nature of domination that one is subjected to in order to discover one's identity, and ultimately to develop the ability to independently determine one's preferences and act upon them. (Zenz 2000)

This multi-dimensional approach to empowerment as a cyclical *process* interrogates how different people, organizations and social-ecological networks produce power, including how they put into practice (power as action) and what this has accomplished in terms of material and non-material outcomes at a specific moment in time. A bottom-up empowerment analysis identifies people's aspirations and

describes the processes and outcomes in their individual and collective struggles to achieve these aspirations. These struggles take place within the context of the coffee crisis, and the restructuring of the industry including changing farmer organizations and the growth of alternative trade networks.

3. A COFFEE FARMER TYPOLOGY AND THEIR ORGANIZATIONAL LANDSCAPE IN NORTHERN NICARAGUA

(a) A farmer typology for the Central American and Nicaraguan coffee sector

Different farmers produce coffee in different ways, under different agroecological conditions, and in a variety of positions vis-à-vis the commercialization chains leading to the market. Farm size provides a good general indicator to describe the different forms of coffee production and commercialization (CEPAL 2002). An estimated 85% or 250,000 of Central America's coffee farmers are micro and small-scale producers. The family is the primary source of labor on these farms. These small-scale farming households often produce corn and beans, and/or work off the farm. In contrast to the micro-producers, most small-scale farmers employ day laborers during the coffee harvest. The small-scale farmers I surveyed in Nicaragua grow more than half of the food their families eat. These farmers intercrop bananas, oranges, mangos, and trees for firewood and construction within their coffee parcels. Small-scale farm households measure annual yields in coffee *and* associated crops, this is one of the reasons their yields are so much lower than those on medium and large farms. Furthermore, these larger operations generally have up to twice as many coffee bushes and add more inputs (labor and fertilizer) to maximize coffee yields.

Table 1 Typology of coffee producers in Nicaragua

Farm size (hectares)	Micro < 3.5	Small-scale 3.5 < 14	Medium 14 < 35	Large 35 < 70	Industrial >70	Total / Average
Average productivity (qq/ha)*	2.51	5.55	11.00	19.91	29.87	16.62
Number of producers	41,698	5,204	732	245	159	48,038
Total area (sq ha)	36,000	45,000	14,000	8,000	5,000	108,000
Production in (qq)*	263,000	599,000	284,000	394,000	260,000	1,800,000
% of total farms	86.8	10.83	1.52	0.51	0.33	100
% of total surface area	33.25	41.83	13.11	7.09	4.72	100
% of production by group	14.6	33.3	15.8	21.9	14.4	100

Manzana (mz) = 0.7 ha, Quintal (qq) = 100 lbs or 46k

Source: CEPAL, 2002; adapted from UNICAFE database. Estimated total harvest levels for 2000/01. Average productivity statistics were generated from previous studies, not from the 2000/01 harvest.

Like most countries in Central America, Nicaragua’s coffee farm ownership is highly concentrated. In Central America, the largest plantations and agro export businesses account for 3.5% of the farms, 48.6% of the total land in coffee production, and an estimated 57.8% of the region’s coffee production (CEPAL 2002). During the 2000/01 coffee harvest in Nicaragua, 404 (2.4%) of the country’s largest farms accounted for almost 25% of the land in coffee production and roughly 52% of the production (UNICAFE 2001).

(b) Small-scale farmer organizations in Matagalpa

Although farmers in the department of Jinotega produce more coffee, Matagalpa considers itself Nicaragua’s coffee capital. Matagalpa contains 38 of the Nation’s 68 dry coffee processing mills, which account for close to three quarters of the export capacity in the country (UNICAFE 2003). Many of the international coffee traders, exporters and interested international development organizations have their offices in this small city of 280,000 people. Matagalpa’s surrounding mountains include a wide range of social organization, including different cooperatives and multiple social organizations and associations, ranging from small



and medium-sized farmers' cooperatives, to agro-industrial companies that can manage 1000s of hectares.

Figure 2: Maps of the
coffee growing regions
in Nicaragua

Since my research questions concerned the participation in Fair Trade and organic networks, I selected the export cooperative in the region with strong links into these alternative networks. This larger export cooperative consists of first and second level cooperative members (See figures 3 and 4). I selected three first level cooperatives based on their similar geographic locations and proximity to Matagalpa. I then negotiated with a fourth cooperative for the purposes of comparison and finally our research team identified individual small-scale farmers to control for the impact of local organizations. All of these farmers manage land in San Ramón, Matagalpa. Small-scale farmers in the communities of Yasika Sur and Yucul cultivate their coffee under the shade canopy of native and planted trees at altitudes ranging from 700 to 1100 meters. Precipitation in the coffee regions varies between 1600-1800 millimeters, with annual temperatures between 21 and 22 degrees Celsius (Gonda 2002). The rainy season begins in late May and generally

lasts through early December. Here the farmers produce corn, beans, vegetable, milk products, coffee, chaya and poultry.

Table 2: Summary of the study population

Name:	Coop. Orgánica	Daniel Teller*	El Previligio*	Adrian Zavala	Individual
Farmer organization characteristics	Cooperative	Cooperative	ALL WOMEN'S Cooperative	Cooperative	Individual small-scale farmers
Typo of production	Certified Organic	Conventional	Conventional	Conventional	Conventional
Current trade Relations	Certified Organic 100% Fair Trade	25-30% Fair Trade	sells 15-25% Fair Trade	Private exporter	Middle men & exporters
	Alternative	Alternative	Alternative	Conventional	Conventional
Total in group (# of surveys)	33 farmers (22 certified organic)	25 farmers	10 coffee farmer (28 total members)	17 farmers	20 farmers
How they Received land	Purchased or inherited with small group from Agrarian reform	Agrarian reform 1989	Agrarian reform 1989	Agrarian reform 1985	Inherited, Purchased, granted by indigenous

					community
Year they formed coop.	1992 first coops formed, 1997 Organic coop.	1995	1999 savings and loan group 2001 coop	1985	No collective organization related to coffee
Form of land management	Individual management,	farm workers to collective to individual farmer	Individual farmer Many recently gained title.	Instead of state-controlled large farm formed small collectively managed cooperative	Individual Management

The individual farmers were selected as a control group. The individual farmers also cultivate coffee in the same region as associated farmers, managing farms of a similar size ranging between two and five hectares of coffee. These farmers have received their land through a variety of channels including the inheritance from their ancestors, purchases and the agrarian reform. Although they do not belong to an organization that collectively sells their coffee some families participate in different community-based organizations.

Many of the members of the Adrian Zavala cooperative were once workers on a larger hacienda. Following the Revolution they received title to the lands in 1985 and became a farmer owned cooperative. They collectively managed the same land that was once single large farm. During the mid to late 1980s the Agricultural Ministry promoted this cooperative as a successful example of agrarian reform. The Ministry sent international visitors, purchased tractors, fertilizers and provided technical assistance. According to Araúz, vice president of the Cooperative, the organization at one time had 36 members and managed not only coffee but more than 120 head of cattle (Bacon, forthcoming). After 1990, when the Nicaraguan population voted the Sandinista government out of the presidency, the subsidies to the cooperative were cut and the farmers decided to divide their collective farm into individual holdings. Many of Adrian Zavala's members came to this region as internally displaced people fleeing high conflict areas during US-backed civil war in 1980s. Although a few civil society organizations including CARE-Nicaragua, the Fund for Social Investment and later the World Food Program would supported local water projects, school construction and provided food donations, the

cooperative continued to lose members. As coffee prices fell in the late 1990s conditions worsened and these trends continued. This Cooperative never integrated with the rest of cooperatives in the region and continued selling coffee through Nicaragua's largest privately owned coffee exporter.

Many of the founding members of the Daniel Teller Paz cooperative share similar stories of migration to the community of El Roblar, San Ramón 15-22 years ago. Initially they were farm workers on a large hacienda, which after the Revolution became a Unidad de Producción Estatal (UPE) (a State managed productive area). After this transition people continued work as farm workers, although they were now nominal owners and state agencies provided social benefits including free health care and education, however the work itself remained almost the same as farm management passed from the hacienda owner to the State. A state-run company, called Charles Haslam managed the hacienda in El Roblar and other production units (large farms) in San Ramón and Matagalpa. When the Violetta Chamorro won the presidential elections in 1990, these larger state controlled companies collapsed.

However, the people in El Roblar began organizing for their own land before the 1990 electoral loss. As the state sponsored companies became increasingly ineffective in the late 1980s, the workers on this farm organized into cooperative. In April of 1990, 45 ex-employees on this farm received title to the land they once worked. The terms of agreement gave older workers 5 manzanas (3.5 hectares), the rest 2.8 ha, and 2.1 ha to single men and women^v. Members of this cooperative would later join a second level union of cooperatives (UCA San Ramón). They named their cooperative in memory of Daniel Teller Paz, who lost his life fighting for the Revolution. With the exception of one member, who is certified organic, most of the membership continues to use low input management strategies for their coffee and corn production. Currently the Daniel Teller Cooperative has 25 members.

The all women's cooperative in the community of El Roblar chose the name "El Privilegio" because they say that it is privilege to live, manage and commercialize their own coffee and participate in their own cooperative.^{vi} Before the women organized their own group, a few had attended monthly meetings with Daniel Teller Paz cooperative. However, they quickly realized that, although the men were generally polite, they as women had no decision making power. Informal conversations between female leaders in the community, incubated the idea of forming their own organizations.

In 1999, Coffee Kids, a USA-based NGO that supports grassroots development projects with cooperatives around the world partnered with CECOCAFEN to create a women's' savings, loan and micro enterprise program. Coffee Kids paid for a staff person who worked as a part of CECOCAFEN professional team. When this staff person arrived in El Roblar, these women were quick to take advantage of this opportunity and formed a micro enterprise group with a small initial donation. Through time they have grown in both membership and capital. In October of 2001, they worked with the gender program in UCA San Ramón to legally constitute their own all women's cooperative.

The history of La Cooperativa Organica unites the individual histories of farmers organizing in the communities of two communities (Yucul and La Carona). During the 1980s five families had moved into relatively uninhabited mountain forests in the community of Yucul. The regional government provided a verbal guarantee that this group would receive title to the land if they moved there and started farming. In 1985, they received a collective title to their land, and by 1992 they had joined together to form the Christopher Morales cooperative. Christopher Morales was an adult educator that thought many of these farmers to read. In 1995, these farmers began participating in Campesino a Campesino (farmer to farmer) inspired trainings, with a particular focus on organic coffee production, sustainable land management and the organic certification process.^{vii} At the same time individual farmers that had purchased land or received it through inheritance began

receiving similar training in the community of La Carona. The Christopher Morales cooperative collapsed and by January 1997 farmers in both Yasika and La Carona joined together with other conventional farmers to form La Cooperativa Organica with the goal of environmental conservation and the commercialization of certified organic coffee. Only 23 of the cooperatives' 33 founding members started the process of organic certification more than three years ago, and soon membership fell and CECOCAFEN facilitated a process whereby La Cooperativa Organica became affiliated first with the UCA San Ramón instead of directly with CECOCAFEN. However, the organization continued to receive technical assistance from the CECOCAFEN organic program and by 2003 had once again increased membership to 53 official members, of which roughly 23 are active and 22 have been certified organic for more than two years.

The first three cooperatives (Organic, Daniel Teller and El Privilegio) in the table are members of a second level cooperative called the Union of Cooperatives in San Ramón (UCA San Ramón). Eight community-based cooperatives, each consisting of 20-50 members, formed UCA San Ramón as a second level cooperative in 1990-92. They formed this organization first as a strategy to defend the land titles they received through the agrarian reform and second in an effort to increase their political and commercial power as they built economies of scale (Tenorio 2002). This organization received assistance from the National Farmers and Ranchers Union (UNAG) and Nelsón Artola who was then mayor of San Ramón. Ayuda Orbrera Suiza and other civil society organizations provided financial support. The Union of Cooperatives Agropecuaria (UCA) grew steadily as it provided legal assistance; technical training on cooperative organization and farm management, commercialization services for coffee, cattle, corn and beans and established an office for gender promotion under the leadership of Pedro Haslam and Blanca Molina Rosa. Membership grew from eight founding cooperatives to 21 first level cooperatives representing more than 1000 farmers in the region.

Figure 3: Three levels of associated Fair Trade cooperatives

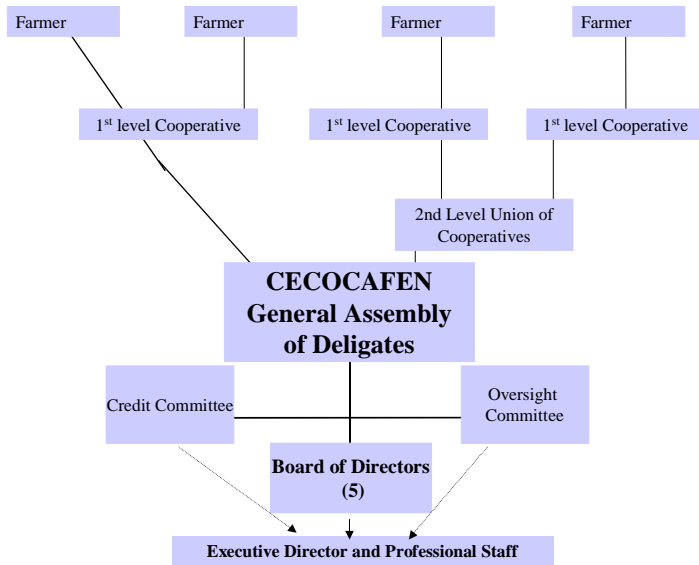
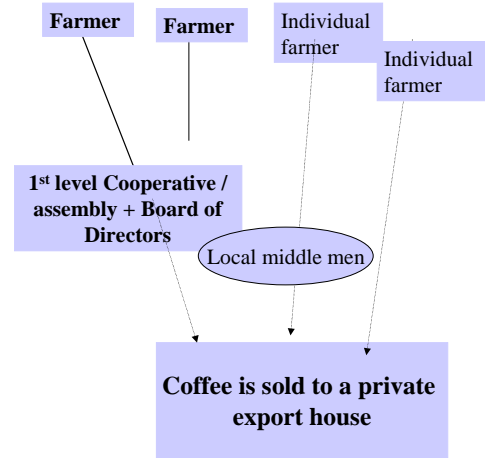


Figure 4 Cooperatives outside of Fair Trade system and individual farmers



On April 27th of 1997, the UCA San Ramón, La Cooperativa Organica, UCA La Dalia and UCA Matagalpa jointed together to form The Organization of Northern Coffee Cooperatives, or CECOCAFEN. They created CECOCAFEN with the assistance of the UNAG and allied civil society organizations to enable small-scale farmers’ cooperatives direct market access and the opportunity to export their own coffee. This integrated cooperative combines a farmer controlled political leadership that operates according to cooperative principles with a professional executive staff that coordinates the coffee export process and rural development projects. CECOCAFEN started by exporting 6000 quintales (60Kg sacks of coffee) to the Fair Trade market in Europe. By 1999 the Cooperative had purchased its own dry processing facility and increased exports to more than 50,000 quintales, including active participation in Fair Trade, organic and specialty coffee market networks. Currently the organization represents 11 cooperatives that together have 1,943 members. The membership is more than 95% small-scale farmers and roughly 30% women. CECOCAFEN says, “We are a business and social organization that looks for better market conditions for our producers in order to provide the opportunity

for families to improve their quality of life. Our mission is to produce high quality coffee, give the best service to our clients, and by helping our producers have a more dignified life, make “Fair Trade in the Field” and sustainable production a reality.” (CECOCAFEN 2004).

4. A PARTICIPATORY ACTION RESEARCH APPROACH

After negotiating with all the local cooperatives’ respective boards of directors (extending from the first level through the third level cooperatives), I established agreements and developed a research and training agenda based on a combination of my questions and local interests. Most of the farmer’s questions concerned changing coffee markets and what that means for their families and management practices, also phrased as why do I receive the price that I receive for my coffee? They also wanted more information about how the buyers define quality coffee. During three years of fieldwork from 2001 to 2004, I coordinated a sequence of workshops around these issues, based primarily on what I had learned as the director of evaluation for Nicaragua’s coffee quality improvement project.^{viii} I decided to use research assistants recommended by the cooperative and include a few questions that interested the coordinator of CECOCAFEN technical assistance program into the surveys that we conducted. In this way we created a local research team to conduct 105 household surveys about farm management practices, quality of life indicators and basic demographics. Our team returned the information generated from these surveys to the participating farmers. After observing this process, CECOCAFEN technical assistance team designed its own survey, contracted the research assistant that had worked with me and conducted a comprehensive agronomic, environmental and social development survey with all 2000 members.

Although useful for statistical purposes, the household surveys revealed little about the farmers’ personal stories and lived histories, nor did they highlight the differences in how men and women struggled to negotiate the low coffee prices and

sustain their livelihoods. In the next phase of this research, I worked in close collaboration with the sociologist and agronomist in the gender development program at UCA San Ramón to form a research team and design a project we called “Voces de La Gente”

The research team included Byron Castillo (the nephew of many coffee farmers in the region) and Felicity Butler (a British researchers and Fair Trade promoter coordinating an agroecotourism initiative with CECOCAFEN) and myself. The research consisted of interviews and photographs with the men and women in households from each of the five participating groups. Our research team selected the households after we completed the surveys, we sought leaders and experienced spokespeople I the community. In each household we separately interviewed one male and one female adult. This Initiative had three related objectives:

1. To record the voices and experiences of both male and female farmers participating in alternative and conventional coffee trade networks.
2. To describe the empowerment process as experienced by groups and individuals linked to different local organizations and trade networks.
3. To better understand the cultural significance rural people associate with farming and participation in different forms of local organization.

After our team completed the interviews and transcribed the tapes, we created a preliminary empowerment analysis. Next, we prepared one page summaries including photos and pull quotes from person that we interviewed (see education section for the example of a summary page). We then organized a workshop and invited everybody that had participated in these interviews to hear their own words and share their ideas about empowerment. During this workshop we presented our preliminary analysis based on the surveys, interviews and three years of participant

observation. Next people separated by sex and by form of organization to discuss the results and share their own analysis. Finally, we facilitated a group discussion and gave people transcripts of their interviews and summary sheets (instead of official certification).

5. FINDINGS

(a) Farmers' livelihood vulnerability, resistance and the current quality of life

Farm households' ability to resist declines in their quality of life during a coffee price crisis is a good indicator for measuring comparative livelihood vulnerability. Measuring quality of life is a difficult and subjective task. However, both standard measurements such as those used in the United Nation's Human Development Index and the definitions that the farmers described in their interviews generally include health, education, housing, personal relationships and income. In Jinotega, a farmer said that, "well-being is to have health, food, education and tranquility in the family." (Bacon 2005). In an interview conducted for this research, Segundo summed up his ideas as follows:

Quality of life means improvements even in this very farm, because it can produce more than coffee, we can continue creating a model farm. If I continue investing in the farm, it will elevate my well-being. But well-being also means to have access to a road, improvements in our home, better food, healthcare, and that my children can become professionals in the future. And that my children—like all citizens—have rights. If somebody else can put on a dignified dress, than my children should also have access to this same quality of dress. This is what well-being means to me.

--Segundo, Cooperativa Organica

In this commentary, Segundo not only establishes the importance of food, education (so that his children can be professionals) and rights, but also shows the links between the farm, management and his approach toward achieving these goals. This relationship to the land is also a key component of understanding empowerment, however, this paper will only touch on these issues and discuss investments in the farm as one proxy indicator to help measure well-being and

resistance to the coffee crisis. The following sub- sections present the results of household surveys.

(I) Education

In rural Nicaragua, education is perhaps the most important vehicle that carries parents' hopes for their children and future improvements in their quality of life (PNUD 2002). Although a national survey found that 82 percent of the adults hope that their children will complete a four year university degree, people over 10 years of age average just 5.1 years in school. These numbers are lower in rural areas. Massive adult literacy campaigns in the early 1980s reduced adult illiteracy rates, however, a lack of follow-up adult education has resulted in 40% adult illiteracy rates in Central and Caribbean rural areas. Table 3, compares the self-reported levels of education in households linked to different cooperative organizations.

Table 3. Comparing levels of formal education between farmer organizations

Education Indicators	Coop. Orgánica*	Daniel Teller*	El Privilegio***	Adrian Zavala	Individual	National Averages**
% illiteracy for people 10 years and up	5.1%	20.0%	0%	18.5%	17.7%	39.6%
Average years in school for people 10 years and up	3.7	3.1	4.0	3.6	3.3	2.7/5.1
% of children (7-12) attending primary school	86.8%	88.4%	100.0%	52.9%	81.5%	81.1%
% of children (13-18) attending secondary school	55.6%	67.3%	92.9%	23.5%	40.0%	37.2%

Sources: Household surveys conducted between November 2002 and April 2003

National and regional data compiled by UNDP (PNUD 2002), from a survey conducted in 2001

*The data for all certified organic farms is reported in the Cooperativa Organica category.

**Average years in school and illiteracy rates are for North Central Rural Areas in Nicaragua.

Primary and secondary percentages are based on national matriculation rates in 2001.

***Although no members of the El Privilegio cooperative are self identified as illiterate, 10.6% are over 25, have no formal education and did not respond to this question on the survey.

(ii) Price, yields and time until payment

Farm families use cash from coffee sales to send children to school, invest in the farm, buy shoes, buy food and pay for medical bills. These farmers generally grow half or more of the food they eat in the house including corn, beans, bananas, squash, mangos, yucca and more. Other households have members that are working on the larger farms, teaching school or serving as guides in a local tourism-tourism project. However, for most families cash generated from coffee sales remains the single most important monetary income. Farmers produce coffee in many different ways, however, for the purposes of simplification production techniques are classified, as either certified organic or conventional. During these surveys, prices were very low and few farmers could afford chemical fertilizers or pesticides. So, in fact nearly all of these farmers were practicing a form of low-input agricultural and many were passively organic. Farmers also sell their coffee into multiple markets

Table 4. Farm gate prices, payments and yields for the 2001/2002 harvest

Commercialization and Production Indicators	Coop. Orgánica*	Daniel Teller*	El Privilegio	Adrian Zavala	Individual Farmers	National Averages**
Type of coffee production	Certified Organic	Conventional (Con.)	Con.	Con.	Con.	Con.
Commercialization network ***	100% Fair Trade (FT)	25-35% FT	15-25% FT	Commercial Market	Local Market	All markets
Farm gate price USD / lb. of green coffee	1.14	0.51	0.46	0.40	0.43	0.37
Total days until final payment for all of the coffee	180 days	47 days	52 days	1 day	15 days	--
Average yields in 100 lb sacks of green coffee / ha	3.15	8.05	6.27	6.23	3.76	2.51

Sources: Household surveys conducted between November 2002 and April 2003

*For the purposes of comparing commercialization networks all three of these results tables present data only from the members of La Cooperativa Organica selling certified coffee. I also removed the one organic farmer from the results presented in Daniel Teller Cooperative.

The National Averages are from CEPAL 2002. Estimated national average farm gate price, based on a National export price of 0.47, and making a low estimate of 0.10 for processing and exporting fees. 2001/2002. *Exact Fair Trade percentages were not provided by the cooperatives administrative staff So this information provides reasonable estimates.

(b) Moving towards empowerment?

Attention to gendered empowerment processes suggests an analysis including the quantitative results reported above and a closer attention to the farmers' personal narratives and perceptions of change. Drawing upon the frameworks discussed in section two, this analysis describes the empowerment process as experienced by men, women and cooperatives. There is little room to discuss how the four dimensions of empowerment apply to men, women and the collective, so the following description of the process will focus on the how individuals and groups (1) mobilize material and non-material resources to reach their self-defined goals, and (2) articulate their voices and influence decision making processes at scales extending from the individual, household to cooperative and beyond.

(i) La Cooperativa Organica

As a group, La Cooperativa Organica negotiated opportunities for material benefits including participation in an agroeco-turism project, training programs and direct material donations supporting organic farming practices. Members of this Cooperative have also used their association with the UCA San Ramón and CECOCAFEN to receive credit supporting investments on their farm and in their houses. A few farmers have also received educational scholarships for their children and accessed a platform to express their voice about Fair Trade, organic farming, cooperatives and rural life. As the coffee crisis deepened farmers in this community emerged as one story of a community creating successful alternatives. This brought a combination of international activists, civil society organizations and coffee companies such as Equal Exchange into the community. The CECOCAFEN Cooperative emerged as an example for Fair Trade supporters from around the world and more than 500 international visitors including journalists from USA Today to the BBC came to see “Fair Trade in the Fields” and interview small-scale coffee farmers. However, while these alliances may have facilitated a platform for individual voices to jump scales from their farm in Yasika Sur to the 400 million people that watch BBC World News, La Cooperativa Organica has experienced an uneven and incomplete process of collective empowerment.

These farmers, like others, first express the importance of gaining access to their own land. Next they talk about forming the cooperative and learning the organic farming practices. However, many of the non-certified organic farmers feel left out of this process, farmers living in remote areas complain that the cooperative is actually on the decline due to the lack of internal communication and the fact that few of the farmers contribute their monthly quotas to support their cooperative from the bottom-up. It is also clear that the men and women in this cooperative have participated in this empowerment process in different ways.

The male farmers have used their knowledge about organic farming, the certification process and the quality of their coffee as a base for advancing the work on their farms and a source of information for their speeches. Again Segundo shares his message:

“My message, as an organic coffee producer, is that the coffee that we produce under the shade trees in Nicaragua’s mountains, it is high quality coffee with scores reaching 96, it is an excellent cup and it will not harm your body. It is coffee that has been clearly registered and tasted by the farmers and the buyer.”

While for some producers the work of filling out the all the paperwork for organic certification continues to be an incredible hassle, others have taken it as a chance to improve their reading skills and then feel good about the transparence in the process.

After seven years, La Cooperativa Organica has only two active female members. However the members of the UCA San Ramón gender development program say that the level of *machismo* or male domination has decreased in this Cooperative. When promoters from this second level cooperative conducted the first workshops about gender issues many men would not let their wives attend. This is one of the reasons that a women’s micro-enterprise group has not formed in this cooperative. Other households affiliated with the Cooperativa Organica have maintained more gender equity in the relationships, some women in the community of Yucul regularly leave their houses to participate in natural medicine workshops and other activities. Once again a diversity of gender relationships have developed over time many in accordance with the specific personalities and intrahousehold dynamics. In the last three years, a changing external context including programs through the agroeco-tourism project specifically working with women and periodic workshops from the UCA San Ramón’s gender promoters have results in increased female attendee at meetings, and, according to the local sociologist, changing ideas about gender among the male leadership in the cooperative.

(ii) Daniel Teller Paz

Members of the Daniel Teller Paz cooperative have created a strong collective identity around close spatial proximity and the shared struggle from workers on a private hacienda, to members of a collectively managed cooperative, to campesinos who own their land. As an organization, they have monthly meetings and most of the members pay their dues. The Cooperative manages a few hectares of land collectively and occasionally plans community workdays. Valentine says, "When it is time to harvest the coffee they come and help me harvest coffee on my farm instead of migrating to work on larger farms, we all stay together." It is not uncommon to see a group of five male farmers repairing a fence or meeting about the Casa Blanca (the old white house where the Partón used to live. Cooperative now owns this house. The house is used for community activities, cooperative meetings a dormitory for the schoolteachers during the week. One farmer says, "Here we say that the cooperative and the community are the same. We are not different, we have even become involved with the school." This Cooperative has also articulated a collective voice outside the community. It too has participated in the agroeco-tourism program and received visitors, although less than La Cooperativa Organica. The leaders of this Cooperative are frequently in the town of San Ramón seeking credit, technical assistance or access to scholarship programs and other benefits channeled through UCA San Ramón.

The men in this Cooperative continue an empowerment process that currently leaves some more enthusiastic than others about possibilities for their future. One farmer says, that if God is willing my children will leave this area, go live with my father and have a chance to finish secondary education. Others feel more optimistic, "Participation in the cooperative is essential . . . to be organized offers advantages to us, it would be good if all communities could organize themselves to combat the deficiencies they must face." The members of Daniel

Teller also have higher rates of adult illiteracy rates than the others associated with Fair Trade and this may have consequences for the empowerment process.

There is only one female member of the Daniel Teller Cooperative. Other women in the community have formed the El Privilegio cooperative. However, the spouses of the key leaders in this community share a sense of accomplishment regarding the shared struggle to access their own land, even if they do not identify with the cooperative. Many have detailed information about the coffee commercialization process. One woman says that they do not farm organically because he [her husband] says it requires more work, more time and it provides less money. In general, most women do not feel they are active participants in the change and decision making processes at scales beyond their household and some even within the household. However, both the males and females in this cooperative have talked about changing household gender dynamics due to the agroeco-tourists that come and spend a few nights in the house a few times a year. One farmer said that he thought it was improving relationships in all of the family. When asked about their aspirations for the future, one women responded, "Get organized, I would like to work with the UCA [San Ramón] and El Privilegio, because in the meetings you learn new ideas."

(iii) El Privilegio

The El Privilegio Cooperative is a strong first level cooperative, able to mobilize resources and articulate a clear collective voice for women's empowerment in their community, Northern Nicaragua and increasingly throughout Latin America. Although young, this organization has a well-defined sense of collective identity and a feeling that they are capable of producing change. Most of the female members already had land titles in their name and were excited to learn about the farming and commercialization process.

As noted in Table 3, this Cooperative recorded the highest levels of educational achievement. This is not surprising given the overwhelming evidence

form international development research demonstrating that women invest more money than men into the children's health and education. They also expressed a sense of gratitude for their training and appropriation of the second level cooperatives and capabilities they have learned, "The UCA has trained us to resolve our own problems." Dionisia says,

They gave us workshops about how to prune and manage our coffee and now that we know how to do it they are more distant because we can manage this ourselves, before we did not know anything about the commercialization process. We learned how to go to the Banks [in Matagalpa City], which bank to go to and how to move outside our community and negotiate projects from the UCA and other organizations.

In the last three years the women's micro enterprise program coordinated by CECOCAFEN grew to from 70 to over 300 women. The women from El Privilegio Cooperative served as a living example and supported the training and formation of other women's groups in cooperatives throughout Nicaragua. The president of the El Privilegio cooperative has been elected to the board of directors for the UCA and CECOCAFEN.

As in the other cooperatives, the women first speak of a struggle to access their own land, "Before we did not have this little piece of land, we were working on the large hacienda. We gave all of our youth to this work. Now we have this little bit of land a spot of coffee, it is a sacrifice but the idea is that we will make this work and not return to work on a hacienda." Many women express their satisfaction at their newfound ability to manage their own production and commercialization process.

My husband used to manage everything, he decided what he would buy and that the wife should not get involved in these issues because she lacked the capacity. So for me this [group] is very important because we as women have learned that yes we have the capacity to manage ourselves and yes we can work. For me it is a pleasure to work with coffee, I was searching for an alternative that would provide the resources to improve the quality of my life. . . It is because we organized ourselves and then we were able to receive training.

However, significant these changes may appear, including improved relationships within the households, it is also important to note that women's economic empowerment projects can increase an already heavy workload. Silvia tells a little about her typical day during the coffee harvest,

I get up at 4am when I don't have workers, and when we have workers to help harvest the coffee, or to plant the beans I awake at 3am to fry the rice, to palm the tortillas and send people out to harvest, then I wash the clothes and start preparing lunch . . . and later I weigh the harvest and after sending the workers away I depulp the coffee. I go to bed at about 9pm in the evening.

These narratives not only suggest questions about the additional work, but also raise the perennial questions concerning the farm workers that work on most small-scale coffee farms for short periods of time.

The male spouses of these female leaders seem quite content with their wives new-found independence and changing gender dynamics inside the household. Salvador said, " I say that it is great that the women are organized, because if we as men have a right to be organized, they also have a right to be organized." While some of the men initially resisted and some tried to sabotage women's' organizing process, El Priviligio is now widely respected in the community. Although these men do not have a voice in the Cooperative a few have started to participate in the savings solidarity groups.

(iv) Adrian Zavala

Collectively the members of the Adrian Zavala Cooperativa continue to suffer the punishing consequences of the coffee crisis. The current events and the groups' response are a low point in the changing perceptions and material realities that these farmers have lived together for the past 20 years. Many farmers first migrated to this region escaping physical danger and hunger from the heated conflicts in northern Nicaragua; others followed a spouse or searched for more productive lands following droughts and crop failures in the lowlands. The first years were difficult.

The vice president of the cooperative sums up the early times, “In the beginning we suffered a lot, when we came here we were very poor, we did not have food . . . and in those times the people ate only platanos and salt. The second year things changed, the people planted corn and beans and the harvest was shared among all members of the cooperative.” The cooperative would later grow and members first received collective and then individual land titles. However, the current context leaves this group unable to achieve many of its material and non-material goals. Most children are not in school and coffee prices low. Past achievements are unraveling. In the past three years, two farmers sold their land and migrated outside of the region. While some members have found solace from their participation in the church and other local organizations, the Cooperative moral remains weak. These issues leave the Cooperative and its leaders, despite their previous experience, unable to articulate a voice for change in their communities much less provide an example for people and places beyond their own. They also have little negotiating power with the agro export company that purchases their coffee. Many members express more hope in the next NGO that will come to support a community project and/or provide food donations than in the possibility of community or Cooperative-led change.

The male members in this Cooperative have increasingly sought work outside their individual parcels. Some of migrated from the region leaving their spouses to take care of the house. Their personal reflections show concern, but not despair concerning the current consequences. They speak about the declining value of their coffee and the consequences. “In 1998 we received over 800 Cordoba’s per sack (over 1.10 USD / lb)”, remembers one farmer, “and today they do not value our coffee and this affects the quality of our lives.” While at least two farmers in the cooperative have continued to invest in the farm and search for options for their community many have less hope for the future. A series of questions concerning future aspirations, sums up the perceptions within this organization.

Interviewer: Speaking a little about the future. What hopes do you have for your children and family?

Francisco: My principal hope is that they can study and to give them a better life than what we have right now.

Interviewer: What would a better life look like?

Francisco: When I was a child I lived in the haciendas, today I have this little piece of land and this will stay with them [referring to his children]. They will not have to live moving from hacienda to hacienda as I once did.

Interviewer: What aspect of your life would be the most important to improve today?

Francisco: I would like to work if there was work and in this way we could progress.

Interviewer: What are your personal aspirations?

Francisco: I think that now I am old and no longer useful . . . I hope that my children can study and prepare themselves for a professional career.

This cooperative has two female members, thus a description of the women's empowerment process within this organization included interviews with the spouses of active members. This fact also illustrates that the empowerment process through the cooperative moves at a slow and often oppressive pace. The inability of women to meet their material goals and their lack of participation in the Cooperative, suggests ways that the coffee crisis and gender relationships within the organization converge to slow change. The women in this cooperative spoke frequently about the importance of education.

Amada: As a mother I have great plans for my children in the future, that they do not only finish 6th grade but go beyond, I want to see them become important people, studied people--able to defend themselves. As a poor mother, the only inheritance that I can give my children is the bread of learning.

In addition to lamenting their inability to keep their children in school, the women associated with this cooperative have few spaces to express their voice and affect decision making processes. One woman, in a particularly difficult situation sums up her condition in this way, "No, no I am not the person that makes decision in my life, I feel that I have little capacity [to do this] because I do not know how to read or write, and so I leave everything to my husband."

(v) Individual Farmers

The individual farmers, were selected for their lack of participation in a farmers' organization. Within this category the empowerment process diverged into two groups, one with both male and female members demonstrating a strong sense of independence, self-reliance and a degree of accomplishment, while others show showed signs of hope. Both the farm gate prices and education indicators where similar to national averages. The slightly higher scores maybe explained in by this region by the relative proximity to the City of Matagalpa.

These, farmers like their colleagues that participate in cooperatives place their hope in coffee as a way to resolve their poverty, however they have a different relationship with the market. One farmer say that for me the big companies [that buy their coffee] offer an advantage, they buy directly from us and although they only pay little it is money that we need in critical times. Others lament the fact that they pay what ever they want, but as farmers they have no recourses or alternatives. As a category these farmers showed lower investments rates in their farms and had less access to training and technical assistance programs. Virgilia's words in figure 4, illustrate a more indigenous, independent yet reflexive understanding of her current condition. This summary page is the same one that each person received during the final workshop to present the results of this study back to participants.

Figure 4: An Example of a Farmer Profile for “Voces de La Gente’



Virgilia
Individual Farmer
San Ramón, Nicaragua

“I was born and grew up here in this community. It was here that my parents took care of us. They worked in the same way that you see me now--always working. This is how we grew up. The majority of my brothers are now dead; we are only three women and two men now. Always living here in the same community we call El Oso.

“One change that I have seen is that people did not used to read. Now most people know how to read, we are changing and seeing things differently now.”

“I say that it would be nice to sell our coffee to a company or to a cooperative, that would pay us better, and then we would not have to go through these intermediaries.”

“For us, the campesinos, we feel that all the times are equal, but clearly, if there was a better price for our coffee we would feel better, in coffee and in other areas we would feel better.”



“I would like it if you would teach us more about organic compost, we miss that here.”

Voces de la Gente
Febrero, 2004

6 .CERTIFICATIONS, LOCAL ORGANIZATIONS AND FARMER LIVELIHOODS: EXPLORING MULTIPLE SOURCES OF CHANGE AT DIFFERENT SCALES

Seen from one perspective this paper investigates the impact of Fair Trade and organic coffee. While consumers, foundations and civil society organizations may pursue this question, coffee cooperatives and farmers consider this same issue from a different angle of vision, specifically searching for strategies to survive the

coffee crisis and continue working toward their individual and collective aspirations. However, before pursuing these questions and the implicit issues of scale when one seeks to generalize from five case studies, it is important to note a few details. First, while the cooperatives and farmers that participated in these case studies may be generally representative for many of the more than 9,000 small-scale coffee farmers organized into cooperatives in northern Nicaragua, these farmers are closer to a major urban area than most in Nicaragua. Their location could have consequences on slightly higher literacy rates and farm gate coffee prices. Second, it is important to remember that more than 550,000 coffee farmers are linked to Fair Trade networks through an incredible diversity of commercial relationships, local organizations (some of which are not cooperatives), in different countries, cultures and landscapes so these cases cannot possibly represent this wide diversity of outcomes and organizing practices. However, these five case studies reveal useful insights concerning the importance of local history, second level cooperative organizations and individual leadership in addition to a continued focus on the obstacles and opportunities posed by certifications, specialty coffee niche markets and civil society networks (Raynolds 2004).

(a) Comparative livelihood vulnerability and gendered empowerment processes

A comparison across the five case studies illustrates the importance of multiple livelihood assets in mitigating livelihood vulnerability to the coffee price crisis. The education indicators for the Adrian Zavala Cooperative, suggest an association between the lack of access to a second level organization that in turn brokers participation in both Fair Trade and organic networks and lower school attendance rates (statistical analysis still pending). These findings are consistent with previous research that surveyed farmers throughout northern Nicaragua and found that farmers linked to cooperatives selling into alternative markets received higher prices and felt more secure in their land security than members of cooperatives selling only into conventional markets (Bacon 2005). However, it is important not to begin

assuming single lines of causality before conducting statistical analysis and exploring multiple explanatory variables (even then a multi-dimensional approach to power precludes these simplifications)

The single most striking variable expressed in the table comparing educational achievements is the fact that El Privilegio, the all women's cooperative, shows higher scores in every category despite the fact that they receive lower prices for their coffee than their male colleagues. This finding is consistent with decades of research demonstrating that women's economic empowerment results in rapid improvements in family health, education and housing (Young 1993). The relationship between Fair Trade certification and these achievements must be considered within a historical context. The snap-shot data revealed in this table suggest stronger associations between participation in a women's cooperative than selling higher percentages of coffee to Fair Trade and organic markets.

However, the process leading to women's empowerment started long before the snap shot data presented in this paper. First, some of these women received title to their own land during the agrarian reform process in the late 1980s, second their bottom-up organizing process found an opportunity when the UCA San Ramón and CECOCAFEN sent a promoter to offer participation in the groups of women in solidarity savings program. Coffee Kids financed this project as a follow-up to the relief work they started in Nicaragua following Hurricane Mitch (Coffee_Kids 2004). It is very likely that when Coffee Kids was searching for a local counter part organization, they learned about CECOCAFEN because they were an organization certified by the Fair Trade Labeling Organization. In this way, markets, certifications and Revolutions have interacted with local livelihoods and organizing practices to build the livelihood assets resulting in the emergence of an all women's cooperative associated with higher educational achievements.

The narratives describing the gendered empowerment process also suggest the importance of history and specific programs with an attention to gender. When asked to reflect on the significant changes in their lives, nearly all small-scale

farmers started with the process of receiving title to their own land. Most farmers across organizations spent their early years as farm workers on large haciendas, and then through a combination of agrarian reform programs, savings and inheritances they gained access to their own land. For farmers land security is generally their most important livelihood asset. Notwithstanding the many contradictions and exploitations that followed during the 1980s, there is no question that Nicaragua's Revolution and the Sandinista government promoted farmer empowerment through agrarian reform programs that provided more than 100,000 rural peasants access to land. Second, the organized farmers speak of participation in their local and regional cooperatives as an important avenue to facilitate their empowerment process. This research reveals the importance of regional second level cooperatives and the combination of effective business operations to facilitate better prices to farmers and projects aimed at social development. However, although the UCA San Ramón is recognized as an exemplary cooperative in Nicaragua for its gender programs (including both a relatively high percentage of female members at close to 30% and its focus on gender specific projects), these efforts are not spread evenly across a landscape of 21 affiliated first level cooperatives. The community and household level empowerment process remains very tied to local and even household specific histories and organizational history. For example, many women in La Cooperative Organic have only recently experienced advances in their ability to achieve their self-defined goals. On the other hand, the gender relations in the Adrian Zavala cooperative remain particularly difficult and show few signs of change in the near future.

During the workshop in which we presented the results of the Voces de La Gente project to participating farmers groups of men and women were asked to identify activities that both contributed to or slowed their respective empowerment processes. The results of these discussions closely parallel those expressed by the CECOCAFEN's administrative leaders and board of directors. Furthermore, they

suggest criteria for future project intended to support the empowerment process as lived by small-scale farmers (Gente 2004).

Table 3 Activities that advance and retard the empowerment process
 facilitate the empowerment process Slow the empowerment process

facilitate the empowerment process	Slow the empowerment process
Communication	Poor relationships in the family
Solidarity	Lack of communication
Trust	Lack of participation
Conscience	Lack of initiative
Participation	Jealousy from your husband
Initiative	Economic hardship preventing
Organize	attendance of training activities.
Trainings	Low prices for the harvest
Exchange of experience	Lack of self esteem
Work in groups	Big families
Not have debts	Not to leave the community
Have our own savings	Physical, psychological and sexual
	violence.

Source: Voces de La Gente workshop 2004

- (b) The role of regional cooperative associations in building alliances with member cooperatives and taking change process to scale

The UCA San Ramón and CECOCAFEN are second and third level cooperative organizations that have expanded rapidly as the coffee crisis deepened. CECOCAFEN rapid membership and commercial growth has been matched by an influx of funding from international development organizations searching for mechanisms to support small-scale coffee farmers struggling to survive the coffee crisis. There are multiple positive benefits from this rapid expansion, including the ability of CECOCAFEN to quickly scale-up social programs expanding the women's micro-enterprise program from twenty one members in four initial groups in 1999/2000 to 82 groups with 456 participants by 2003/04 season (CECOCAFEN 2004). Participants in these groups now include female members of the cooperatives, spouses of current members and members of the local community. Social programs co-financed by civil society organizations and CECOCAFEN also include 192 scholarships for the children of associated coffee farmers and more than 300 youth organized into dance troops and musical groups (CECOCAFEN 2004). The organic program has increased from 98 farmers during the 2000-01 harvest to 941 in the 2003/04 harvest (CECOCAFEN 2004). These changes and the Cooperative's rapid expansion are not without growing pains as it seeks to balance commercial growth, rising political power, and social development with continued membership expansion and accountability. However, as of 2004 most farmers and associated cooperatives express high degrees of satisfaction with this organization.

7 .CONCLUSIONS

This chapter proposes a multidimensional view of the change process that invokes a second iteration of questions about the impacts of Fair Trade and organic

certification, these questions focus on how small-scale coffee farmers have organized themselves over time and the ways they use participation in local organizations linked to different trade networks to construct their changing livelihoods. A comparative analysis of livelihood vulnerability suggests that farmer members of cooperatives affiliated with second level organizations, which are in turn linked to alternative trade and civil society networks, are better able to resist the consequences of the coffee crisis than farmers that belong to a first level cooperative selling only to conventional coffee markets. Individual farm households that have not formed organizations to sell their coffee have a wider variation in their ability to resist the coffee prices crisis, but also lack access to technical assistance and cooperative-led development projects.

An attention to the role of local organizations in the gendered empowerment process highlights the uneven and contested results even within organizations linked to alternative networks. Organic and Fair Trade certification do not necessarily support women's empowerment, however, these alternative trade relationships can serve as a map that help international NGOs identify community-based organizations that have met certification standards for fiscal responsibility and democratic control. This combination of civil society and market-based alliances with second level cooperative organizations provided an opportunity for women's empowerment from above that intersected with decades of local organizing from below. A more historical perspective reveals how people in this region have organized since the land reforms in the 1980s. These reforms provided land title to single women. This region has a long tradition of female leadership; Blanca Molina Rosa, who is a founding member and the president of the CECOCAFEN export cooperative and the director of the gender program at the UCA San Ramón, is only one example.

Alliances between civil-society and the business organizations around certification touch down into local organizations in producing countries and changing retail markets to consumers. As the negative consequences of

globalization emerge, many are considering social and environmental certification as a market-based alternatives, however these alliances are only beginning to receive critical academic attention and inquiry (Levi 2003; Scharlin 2004). Men, women and farmers' organizations cite the process of securing title to their own land as among the most significant events contributing to their current sense of well-being and empowerment. These historical struggles including changing identities from *obreros* to *campesinos* (farm workers to farmers) provide a key context that presents the opportunity to participate alternative trade and development networks. Certifications represent one more obstacle or perhaps opportunity in a long-term struggle for survival in the context of global inequality.

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ⁱ Millions of peasant farmers around the world produce food without using synthetic inputs. Thousands of coffee producers continue to manage their coffee trees applying the minimum amount of work and no inputs from outside the farm. They may simply manually remove the weeds once or twice per year, and harvest the cherries when they ripen. While these farmers may meet the basic requirements for organic certification, the fact that they do not **actively** manage their farms, and have not filled out necessary documentation, nor solicited third-party inspection legally prohibits them from selling **certified** organic products. Many classify this as passive organic production.

ⁱⁱ For additional information on the Fair Trade consult Raynolds for conceptual frameworks and research into Fair Trade bananas (Raynolds 1995; Raynolds 1997; Raynolds 2000; Raynolds 2002a). Early work on Fair Trade coffee has been published by (Brown 1993) also see (Renard 1999a; Renard 1999b) and (Rice 2001). (Leclair 2002) provides a more comprehensive summary of the alternative trade organizations and the fair trade of crafts as well as food products.

ⁱⁱⁱ There are interesting parallels between a farmer livelihood approach to measuring processes of vulnerability and empowerment and discussions measuring agroecosystems' ecological resistance and resilience to external shocks such as drought. See Tillman's work (Tilman 1996a; Tilman et al. 2002; Tilman 1996b) for a more detailed study of the complex relationships between ecological diversity, stability, resistance and resilience.

^{iv} Multilateral international development organizations such as the World Bank have recently developed more materials about empowerment (World Bank 2002) and although current debates about empowerment, like those around social capital, neither reach into issues of personal transformation, nor expand into larger political economic structures--preferring instead a meso level definition of empowerment within a more local and economic interpretation of social capital, these internal debates will likely continue and interpretations may be moving toward a more critical and possibly even emancipatory approach as a cadre of senior critical social scientists are more willing to engage the World Bank's development discourse and spaces of change open from within the Bank (Bebbington 2004; Botchway 2001).

^v The history of these cooperatives was written as part of the "Voces de La Gente" project. Their histories are based on interviews and literature searches conducted by Chris Bacon, Felicity Butler and Byron Castillo.

^{vi} The history and quotes from this cooperative are based on interviews conducted by Felicity Butler, during the “Voces de La Gente” Project

^{vii} See Eric Holt-Gimenez for detailed work about the Campesino a Campesino movement, included how agroecological farming practices helped reduce vulnerability to Hurricane Mitch (Holt-Gimenez 2002).

^{viii} Thanks again to Paul Katzeff from Thanksgiving Coffee Company who was the project director for Nicaragua’s coffee quality improvement project and who thought me how to cup coffee and evaluate the different flavors. Also thanks to Nicholas Hoskyns who showed his vision of participatory development with coffee cooperatives and a keen understanding of the internal functioning of these organizations in Nicaragua.