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Fair Trade in Mexico and Abroad: An Alternative to the Walmartopia?

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ABSTRACT. Fair trade is an ethical alternative to neo-liberal market practices. This article examines the development of the fair trade movement, both in Mexico and abroad, beginning with the experience of UCIRI (*Unión de Comunidades Indígenas de la Región del Istmo* – Union of Indigenous Communities of the Isthmus Region), an association of small coffee growers in Mexico and a main actor in the creation of the first fair trade seal in the world, Max Havelaar, in 1988. Future success of the fair trade movement depends mainly on resolving the tension between the capitalist business goals and the activist transformation goals of its diverse practitioners.

KEY WORDS: fair trade, Mexico, globalization, coffee

> We want to preserve our pride as ancestral inhabitants of our region, with our language and our good customs. We know very well that, with our new jobs and duties, our culture is also changing. But we do not want to fall into the trap of losing ourselves in strange things that do not benefit us, such as the culture of the wealthy and of those who try to exploit and oppress us.
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> UCIRI[1]

> Fair trade has a lot to do with the WTO. It's the mirror image of what the WTO is about.
>
> Vandana Shiva[2]

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Introduction

On November 5, 1994, a Walmart store opened on the grounds of the ancient city of Teotihuacan, one of Mexico's archaeological treasures. Many Mexicans, being outraged to see a national cultural icon and a symbol of globalization standing next to each other, blamed primarily the Mexican government for letting this happen. The philosopher Adolfo Sánchez also complained that "opening the store is an attempt against the culture and the national traditions of a country. It is… an expression of the contempt that transnational corporations feel for a sovereign, independent country." Similarly, for Elena Poniatowska, the *grande dame* of Mexican letters, the opening of the Walmart store represented "the triumph of power and wealth over Mexico's archaeological heritage and history."[3]

However, Juana G., a working woman, pointed to an arguably more immediate problem when she visited the store on the opening day with her friend Mary P., a teacher from Minnesota then living in Mexico. While Mary excitedly counted 24 shining-new cash registers as they both entered the store, Juana's street-smart economics told her that something was wrong. Her sobering reply was: "this doesn't look good; it will put out of business many small local stores." Juana and Mary's exchange point to a central issue in the ongoing debate on the virtues and shortcomings of economic modernization: what are the alternatives to neo-liberal free trade, of which Walmart is emblematic? In searching for answers to this question, this article explores the history, present situation and perspectives of fair trade in Mexico, and abroad, as an ethical alternative to neo-liberal market practices. As we know, these practices are imposed by transnational corporations, by the World Bank, the International Monetary

Fund, the World Trade Organization and other powerful international institutions, and by the rich countries' elites together with their local counterparts in poor countries.

This article examines the development of the fair trade movement, both in Mexico and abroad, beginning with the experience of UCIRI (*Unión de Comunidades Indígenas de la Región del Istmo* – Union of Indigenous Communities of the Isthmus Region), an association of small coffee growers in Mexico and a main actor in the creation of the first fair trade seal in the world, Max Havelaar, in 1988. From these beginnings, the fair trade movement has become closely associated with the pursuit of socially and environmentally sustainable processes. Environmentally, organic and shade-grown fair trade coffee is becoming a familiar concept, while the fair trade movement has embraced several other agricultural products, artisan-produced textiles, and handcrafts. Socially, fair trade has created a more direct relation between producers and consumers with clear benefits for both, and is increasingly seen as a part of larger social justice movements.

As the article demonstrates, the fair trade model has succeeded in creating a utopian vision for this sad, upside-down world, where the poor routinely subsidize the consumption of the rich, bringing both actually closer together than we usually imagine because of this symbiotic relationship; where intermediaries and speculators benefit more than producers, and economic structures maintain unequal relations both within and across countries.[4] Laure Waridel notes: "At present, countries in the North import from producers in the South at artificially low prices and, later, governments of countries in the North offer help to governments of countries in the South to solve social and health problems, among others."[5] In contrast, fair trade is an ethical alternative to top–down globalization and the many problems it generates, and promotes a South perspective in dialogue with the North in the common search for a more humane, peaceful, and livable world.[6] Further, the fair trade model sets a standard to test the practices of participating producers and consumers.

After briefly dealing with the beginnings of fair trade, this article provides historical background on the creation and development of UCIRI, and on its pioneering role in the creation of the Max Havelaar Fair Trade Seal.[7] Next, the global process set in motion with the creation of the Max Havelaar seal is briefly examined. Some main initiatives and obstacles in the promotion of fair trade in Mexico through the Mexican Fair Trade Seal (*Sello Mexicano de Comercio Justo*), the first one created for consumers in a producer country, are then explored. Lastly, the prospects of the fair trade movement, both in Mexico and internationally, are examined by looking, in particular, at the potential ethical conflicts between the model and the movement that emerged from it, and between its activist and business poles. These issues have become vastly complicated because of the ongoing world economic crisis.

The beginning of the fair trade movement

Fair trade is an immemorial practice of consumers who purchase directly from local producers in many parts of the world.[8] As an institutional practice, fair trade emerged in force in Europe and the United States after the Second World War (before the "fair trade movement" proper), as an alternative to conventional profit-oriented marketplace practices. Handcrafts, textiles, coffee, and tea were the main products sold in Europe by groups acting out of humanitarian and ethical concerns and both from religious and socialist perspectives. Oxfam, Bread for the World, and Caritas were among participating religious institutions. These Alternative Trade Organizations (ATOs), as they became known, created a network of "World Shops" to sell handcrafts, coffee, and tea. From the political left, the social solidarity organization Twin Trading was founded in the 1970s in Britain, to buy products from Mozambique, Cuba, North Vietnam, and Nicaragua, as did Oxfam Wereldwinks in Belgium and Stichting Ideele Import in the Netherlands.

In the United States, from the 1940s to the 1970s, the Mennonite Central Committee, Ten Thousand Villages and SERRV developed similar outlets both for domestic and "Third World" products. Later, some politically motivated groups, which saw fair trade as an alternative to the capitalist system, sold *Café Nica* in violation of the embargo on Nicaraguan imports, in the 1980s.[9]

The focus on agricultural products was one of the innovations introduced by the Max Havelaar Fair

Trade Seal in the 1980s, creating ''a watershed event'' in what the fair-trade movement is about.[10] The other main innovation was the creation of the seal itself for fair trade producers to participate in the open market, moving away from the limitations of ATOs, a decision that equally changed the course of the fair trade movement. The beginnings of UCIRI (*Unión de Comunidades Indígenas de la Región del Istmo* – Union of Indigenous Communities of the Isthmus Region) and its role in the creation of the Max Havelaar seal, as well as the changes that this event brought for UCIRI, are a significant part of this story.

UCIRI development in Mexico

UCIRI is a union of communities of small Indigenous agricultural producers in the southern state of Oaxaca, Mexico, descendants of the original inhabitants of the American continent, and misnamed by Christopher Columbus as ''Indians'' when he first arrived at a Caribbean island, believing he was in Asia. UCIRI's creators were coffee growers from diverse ethnic groups: mainly Zapotec, but also Mixtec, Mixe, and Chontal, who were scattered among several small villages in an isolated, mountainous, area of the Tehuantepec-Isthmus. These small coffee growers had several problems before the creation of UCIRI, stemming from and contributing to their ancestral poverty. What they earned kept them alive but did not allow them to finance their operations or to think of acquiring their own vehicles for distributing their products. Local intermediaries, known as *coyotes* (hoarders/speculators), bartered certain products or paid cash for coffee beans at harvest time (when their price is the lowest), arguing that the coffee was ''very poor quality.'' *Coyotes* then transported the coffee to urban distribution and export areas, where they sold it to wholesalers at a much higher price than they had paid. They also contributed to the ever-growing indebtedness of the coffee growers by advancing them loans to survive until the next harvest and by charging high prices for chemical pesticides and fertilizers which damaged the earth and stunted the coffee trees, reducing their yields. Local village stores, often controlled by *coyotes*, sold these poor peasants, foodstuffs and other household necessities for daily consumption at very high prices. Transportation to and from the area's villages, similarly controlled by *coyotes* to a large extent, was expensive and bad.[11]

Before the creation of UCIRI and its association with the Max Havelaar seal, these Isthmus coffee growers also had to deal with the *Instituto Mexicano del Café* (Mexican Coffee Institute-INMECAFE), an official institution created in 1970 to offer a better price to producers, among other things. However, INMECAFE's employees soon followed corrupt practices, also arguing that the coffee was low quality.[12]

In order to complete this picture, most peasants and their families were malnourished and lived in miserable huts, lacking any sanitary installations. Most villages had neither drinking water nor electricity, while health and education facilities were nonexistent or very inadequate. As Daniel Jaffee, referring to a similar experience, states: ''peasant farmers who grow export commodities, like coffee, cocoa and tea – consumed mainly in the rich North – ride an unpredictable roller-coaster of prices for their products, with long slumps punctuated by short spikes. Despite the exhaustive labor involved in producing their crops, they are obliged to sell their harvest to local middlemen, often at an economic loss. Many cannot gain access to credit, and others are indebted to local loan sharks or banks and face the imminent loss of their lands.''[13]

Similar problems are prevalent in many rural areas in the Third World. However, being Indigenous is an additional handicap in Mexican society. As a result of the Spanish conquest in the sixteenth century, Indigenous peoples were placed on the lowest rung of the social ladder, together with slaves forcefully uprooted from Africa and their descendants (as in many other countries, including the United States). The state of Oaxaca, where UCIRI is located, is one of the areas with the largest Indigenous populations in Mexico (approximately 52% of the state's total population, vs. 11% in the rest of the country).[14]

Some achievements of Oaxaca's original inhabitants are still greatly admired in Mexico and abroad, including the gold jewelry and cotton textiles they created, and the cities they built before Spaniards arrived (best known of which are Monte Albán and Mitla). In the colonial period, Oaxaca was one of New Spain's prime economic areas, because of its

mining and agricultural resources. It was, among other things, the main producer and exporter of cochineal, a dye extracted from bugs for textiles whose worldwide prominence only declined with the introduction of anilines in the nineteenth century. However, present-day descendants of the creators of Oaxaca's historical and cultural heritage are not greatly valued by Mexico's non-Indigenous population. They are often bilingual or multilingual, but this accomplishment does not enhance their status either, because they speak the languages of the vanquished.[15]

In contrast, one of the greatest strengths of Indigenous peoples, key to their survival, are their rich ancestral community experiences, which colonizers were never able to destroy completely, and which are also a heritage of peasant life in many parts of Latin America and, indeed, the world. The communal organization of the Isthmus coffee growers is at the root of the UCIRI union of communities, created in 1983.[16]

The beginnings of UCIRI and the creation of the Max Havelaar Fair Trade seal are linked to Frans Vanderhoff, a Dutch priest who had lived and worked in Canada, Chile, and Mexico City (besides his native Holland) before he moved to the Isthmus region, in 1973.[17] Vanderhoff's childhood background, within a farmer's family in Holland, helped him identify with the Isthmus peasants and their way of life.[18] His previous participation in movements for social change in Holland, Canada, Chile, and Mexico helped him understand their struggles for survival and to join their efforts to organize and beat the odds.[19]

In late 1982, after the harvest, some Isthmus coffee growers held intense discussions during long meetings, where Vanderhoff participated. They concluded that their main problems were the low price of coffee and their debts with the bank.[20] After considering all the available alternatives, they also decided that they did not want charity or assistance but a fair price for their coffee. Therefore, they carried out an experiment, breaking their isolation. Instead of selling their harvest on the spot to *coyotes*, they took it to a cooperative near Mexico's main port city of Veracruz, from where most coffee is exported to Europe and some to the United States. To their amazement, they were paid 95 US cents per kilo of coffee. This time, they kept 83 cents after deducing expenses. Earlier, the *coyotes* were giving them 25 cents, pocketing the 58 cent difference. Another surprise was that the quality of their coffee was considered quite acceptable by the new buyers. The coffee growers did not only learn about the difference in price but about themselves as producers and about the value of their work.[21]

The main problem these coffee growers had with the bank was that, often, they were not given valid receipts after they paid their debts, in part or in full. Their debts continued to appear on the bank's books, with the corresponding interest! Banking agents had kept the money thinking that the ''stupid Indians'' would never find out. In response, the coffee growers decided to stop payment and to ask why they had to pay twice for the same debt, risking suspension of credits by the bank.

After these initial experiences, where only three villages had joined, UCIRI was created in 1983 with the participation of 17 villages, after overcoming many bureaucratic obstacles. Since then, membership has increased to approximately 3,000 affiliated coffee growers from 53 villages.[22]

However, UCIRI's success was also met with violent opposition in the beginning. These birth pains are instructive about the high price the poor often pay, in their attempts to change unjust social situations. With the sale of the coffee directly, UCIRI was ending an age-long abusive situation that greatly benefitted local *coyotes* and *caciques* (political chieftains), as well as large coffee merchants on whom *coyotes* depended. *Coyotes* saw their earnings further reduced after UCIRI created cooperative stores in several villages and established its own bus service, breaking their transportation monopoly. Improving the situation of coffee growers and their families meant taking control away from local *coyotes* and *caciques*, cogs in the political machinery of the then ruling party in Mexico, the *Partido Revolucionario Institucional* (Institutional Revolutionary Party – PRI), in power for 71 years, from 1929 to 2000. It is no surprise, then, that attempts to stop the new organization went as far as imprisonment and assassinations of members (37 people, approximately, between 1985 and 1992), and sabotage. However, these repressive measures did not break, but rather strengthened the union of people in the villages.[23]

Enter the Max Havelaar fair trade seal

The next major step in the development of UCIRI was its participation in the creation of the Max Havelaar Fair Trade Seal. The idea of the Max Havelaar seal originated in June of 1985, when Frans Vanderhoff met with Nico Roozen at a small restaurant in the Utrecht (Holland) railway station. Roozen was then an executive from *Solidaridad*, the Dutch interchurch foundation for Latin America. He has been, together with Vanderhoff, a main actor in the development of the fair trade movement since then.[24] After discussing the situation of UCIRI members, Vanderhoff and Roozen agreed that remedial programs and donations make recipients objects of aid, depriving them of their dignity and their decision-making power. They especially kept in mind the words of Isaías Martínez, a Zapotec coffee grower: ''We don't want money donations. We are not beggars. If you would pay a fair price, we could live without additional support.''[25]

Vanderhoff and Roozen also concluded that the fair trade experiences known then were limited to a very small group of consumers who bought products from religious and social solidarity institutions. UCIRI had already sold small amounts of ''clean coffee'' through World Shops in Holland. What its members earned from these sales was good but became insignificant, considering they had to sell the bulk of their production through traditional channels.[26] Vanderhoff and Roozen started to think of a way for UCIRI to participate in the ''real-world'' market. Instead of creating a new brand for distributing the coffee as they had initially thought, the Max Havelaar seal was established in 1988 to license existing roasters and retailers who complied with its fair trade criteria. They proposed to go from a market niche to a transformation of the market itself, based on ethical principles.[27] This decision, as we will see shortly, gave a new direction to the fair trade movement and is at the root of some of its central conflicts at present.

The participation of small, Indigenous, coffee growers from Mexico in this new venture was not an accident. Coffee trees were introduced by the Spanish conquerors in the colonial period and belonged in the estates of large landowners in the nineteenth century. However, after the Mexican Revolution (1910–1921), coffee was cultivated mostly by small producers, unlike other countries in Latin America where landowning oligarchies ruled. This was approximately the time when coffee growing began in the Tehuantepec Isthmus region. Peasants who cultivate less than 5 ha (12.3 acres) hold 64% of coffee lands, and about two-thirds of producers who own less than 2 ha (4.9 acres) are Indigenous people living in poverty. In contrast, large estate owners, who make up only 8% of producers, receive over 80% of benefits from the sale of coffee beans. At present, Mexico is the fifth largest coffee producer, after Brazil, Colombia, Vietnam, and Indonesia, and the largest producer of fairly traded coffee in the world.[28]

After its initial experience with UCIRI, the Max Havelaar seal set the following guidelines for coffee producers, roasters, and distributors: Max Havelaar gives preferential treatment to democratically organized cooperatives of small producers, and tries to balance their production of crops for export and crops to feed the local population. Other stipulations referring to organic production were added in the 1990s, as environmental concerns became more clearly integrated with social ones in the fair trade movement.

In return, Max Havelaar provides the following four benefits and criteria:

- a guaranteed minimum price to protect producers from oscillations in the world market;
- an additional 10% of the world market price for investment in the cooperatives and in their social and environmental projects;
- a 60% advance to producers, to prevent their selling the coffee immediately after the harvest, when its price is the lowest;
- a commitment by roasters to obtain their coffee as directly as possible from producers to eliminate intermediaries, and to a longer-term relation with producers.[29]

Impacts of UCIRI and the Max Havelaar fair trade seal

No doubt, the association of UCIRI with the Max Havelaar seal has contributed to its long-term viability. The personal, production, and social benefits

that the members have gained since UCIRI was created are also impressive, considering their starting point. Since its involvement in the fair trade movement began, the yearly income of UCIRI's approximately 3,000 members has more than tripled in some cases, from US$280 in 1983, to US$860 in 1999. UCIRI members earn more for their coffee, eat better, and wear better clothes, while their houses have sanitary installations.[30]

Among UCIRI's projects to improve production, members are most proud of a plant they built to process coffee beans, to which they added a warehouse. They also roast some coffee beans and make instant coffee for the domestic market. However, trying to break their dependency on coffee monoculture, they opened a factory to make organic jams and juices from local fruits, for domestic and international distribution. A project that has not worked as well as was expected, because of technical and market problems, is a garment factory in the nearby city of Ixtepec (in the Tehuantepec Isthmus valley) both to diversify production and to offer employment to young people who would otherwise migrate to other areas in Mexico or to the United States. In contrast, the *Centro para la Educación Campesina* (Center for Peasant Education), an agronomy school originally created to support the cooperative's organic production, has become a learning center for Indigenous young people from the area and from other countries in Latin America.[31]

Other social changes brought about by UCIRI are cooperative stores where inexpensive basic supplies are sold, prompting traditional store owners to lower their prices, as well as a hardware store for the sale of agricultural implements. Members have also participated in housing projects supported by Habitat for Humanity and a Mexican bank, and can obtain soft credits from their own credit union. In addition, they have access to health care through clinics and laboratories created by UCIRI to learn about and prepare medicinal herbs (a wonderful legacy of Indigenous people in Mexico). In several communities, collective corn mills were installed to make corn dough for tortillas, reducing the time women spent in this process (previously, they had to get up as early as 3 a.m. in the morning to grind the corn). Vegetable gardens have also been created to improve the diet of UCIRI members' families, and workshops on the preparation of healthy meals are offered for members and the village communities at large. Workshops include such practical issues as how to make dry latrines and more efficient wood and charcoal stoves.[32]

These benefits that UCIRI has been able to provide for its members and for communities are due in large measure to its association with the Max Havelaar seal. However, it is important to note that what they have gained is not enough to take UCIRI coffee growers out of poverty. Their strategies, as is the case for most small producers from poor countries, are geared toward survival as they have been historically, not toward achieving any form of Western "progress."[33] However, they have gained something else, arguably less tangible but not less valuable. As Isaías Martínez stated, "After Max Havelaar arrived we, Indigenous peasants, continue to be poor, in spite of several improvements. Nevertheless, what Max Havelaar succeeded in doing is to give us back 'our human dignity.' We are no longer at the mercy of anonymous market forces that treated us with contempt."[34]

Market penetration in Europe and elsewhere

While the difficulties of setting the process in motion seemed insurmountable at some points both in Mexico (as we have seen in UCIRI's case) and in Holland, they were of a very different kind at the producers' and at the consumers' ends. In Holland, the main difficulties faced by Nico Roozen and *Solidaridad* to create the Max Havelaar seal and enter the market were related to broadening the base of consumers and finding commercial roasters and distributors willing to participate. In order to find more socially committed consumers for "clean coffee," *Solidaridad* met with large audiences and informed them of the injustices in the coffee market and of the deplorable conditions in which producers lived. A central part of this campaign was a tour of UCIRI members, which included working with the mass media. Some roasters and distributors also agreed to talk with UCIRI's representatives, even though they were not ready to commit themselves to something which, they felt, was against the rules of the market and would never work. Instead, they opposed the project initially, except for a small roaster, Neuteboom.[35]

These difficulties notwithstanding, Jan Tinbergen, the Nobel Prize-winning economist, delivered the first bag of Max Havelaar coffee to Holland's Prince Claus on November 15, 1988. However, early results were not as expected. Although many consumers polled earlier had said that they would buy Max Havelaar coffee, initially only less than 3% of them did. Nevertheless, producers received a 33% share of the final price of a coffee bag, instead of the 5% they received from coffee sold through a commercial brand. Max Havelaar's share of the market has stabilized at around 5% since.[36]

After launching the Max Havelaar seal in Holland, the organization's next goals were to reach other interested countries in Europe, and to diversify products for consumption. Switzerland was the first country to create its own variation of the Max Havelaar seal with the participation of its two largest supermarket chains and with a fair trade coffee distribution twice as large as Holland's initial market. Nico Roozen considers Switzerland as the country with the most successful fair trade experience in Europe.

Solidaridad's early experiences with Germany, the largest market in Western Europe, were very different because of the prominent role played there by an ATO committed to ''ethically responsible trade with Third World countries'': GEPA (Gesellschaft zur Förderung der Partnerschaft mit der Dritten Welt mbH – Society for the Promotion of Partnership with the Third World). Initially, the organization's interests seemed to conflict with the concept of a seal for the open market. Nevertheless, GEPA eventually launched its own fair trade seal, Transfair, without consultation with the other countries that already had one. GEPA's introduction of coffee and other fair trade products was not very successful in the highly competitive German market with supermarkets such as ALDI, where low price issues continue to explain the nation's small consumption of fair trade products.[37]

The second goal set by Max Havelaar, distributing fair trade products *other than* coffee in Europe, was reached initially with certified bananas, tea, cocoa, sugar, honey, rice, and orange juice. At present, coffee is still the main fair trade product sold in Europe, except in Great Britain, where tea occupies that place. Nevertheless, Twin and other ATOs there created Cafédirect which, according to Jaffee, ''today commands an impressive 14% of all the nation's roasted and ground coffee sales.''[38]

Coffee is also the most valuable food import in the United States, where the fair-trade market has grown, from 1.3 million pounds in 1999 to 45 million pounds in 2005, for a total value of US$499 million. Over 300 coffee-producers' organizations, representing half-a-million families, are included on the international fair trade register. At present, more than US$70 billion of coffee, the largest cash crop for 20 million to 25 million peasant families in the world, is traded every year. However, we must keep in mind that the main roasters and distributors are large transnational corporations. In 1992, 70% of the coffee world market was controlled by Philip Morris, Nestlé, Procter & Gamble, and Sara Lee.[39]

Solidaridad's initial attempts to introduce the concept of a fair trade seal to other European countries have developed into a worldwide movement. Eventually, every Western European country had a national fair trade organization in the 1990s, beginning with Max Havelaar in Holland, Transfair in Germany, and the Fair Trade Foundation in England. In the US, activist groups created Equal Exchange, an institution interested in promoting social change and in working with cooperatives in Latin America, Africa, and Asia. In Canada, Just Us! emerged with similar motivations. Other organizations were also formed in the United States, Canada, and Japan under the Transfair name. Across countries, the International Federation for Alternative Trade (IFAT) and the craft-oriented Fair Trade Federation (FTF), created in 1989, were followed by the European Fair Trade Association (EFTA) in 1990. Eventually, in 1997, a worldwide umbrella of certifying organizations, Fairtrade Labelling Organizations International (FLO), was created encompassing 17 certifiers.[40]

Significantly, the European Parliament issued a unanimous resolution on July 2, 1998, to increase the impact of fair trade on global economic and political structures, addressing the goal envisaged by Max Havelaar's creators, of transforming the market ethically through fair trade. The resolution asks for ''support to fair and solidary trade to become an element which integrates the foreign, development cooperation and trade policies of the European Union… for the promotion of fair trade to be

included as an instrument for development in… a new agreement with the countries of Asia, the Caribbean and the Pacific (ACP).'' The resolution also asks for the inclusion of support to fair and solidary trade in the cooperation agreements with countries in Asia and Latin America (ALA).[41]

The ''fair trade umbrella'' encompasses a growing number of small agricultural and artisan cooperatives, and large estate laborers. Besides coffee, over 40 fair-trade products from more than 1,500 retailers are certified at present, including bananas and other fresh fruits, tea, sugar, cocoa, honey, orange juice, rice, flowers, cotton clothing, and other items.[42] Worldwide sales of all fair trade products have been increasing by over 40% per year, surpassing US$ 1.3 billion in 2005, and benefitting more than a million families in 52 countries.[43]

On the consumers' end, large corporations, such as the supermarket chains in Europe, include fair trade items in their supply, alongside the distribution channels managed by fair trade activists. In the US, Starbucks entered the fair trade market in 2000, yielding to the pressure of activist groups, Global Exchange in particular.[44] However, even though many consumers identify fair trade with Starbucks, fair trade coffee accounts for only 3% of Starbucks sales. According to their interests, and close to their origins, these diverse participants in fair trade follow ''market breaking'' (fundamental transformation of economic relations), ''market reform,'' and ''market access'' approaches.

The added diversity of participants and approaches in the fair trade movement points to present and potential conflicts. The decision to create the Max Havelaar seal and bring fair trade to the open market has proven largely influential for what came later. Fair trade, as it is practiced now is, as Daniel Jaffee says, ''a hybrid – simultaneously a social movement and an alternative market structure.''[45] Before dealing more directly with these problems, we will see how Mexico, both a fair trade seal producer and consumer country, fits within the overall, global, pattern.

The growth of fair trade in Mexico

Fair trade has largely developed through increasing cooperation between producers in poor countries of coffee, tea, tropical fruits, and other ''exotic breakfast items for tables in the rich countries'' – as a Mexican social activist once put it – and fair trade promoters and consumers in rich countries.[46] At present, UCIRI sells coffee to more than 10 organizations in seven countries, and over 30 fair trade producers' organizations have been created in Mexico.[47] It is relevant to note that UCIRI has supported the creation and development of some of these organizations in the Mexican states of Chiapas, Guerrero, Oaxaca, and Puebla, as well as others in Guatemala and Nicaragua. Larger coalitions of producers have also emerged in Mexico. For instance, the *Coordinadora Estatal de Productores de Café de Oaxaca* (Coordinating Agency of Coffee Producers of Oaxaca-CEPCO) encompasses 43 organizations and 23,000 members.[48]

A domestic fair trade movement has also developed in Mexico, including the creation of the first fair trade seal in a producer country, where the practice of buying from small local producers is immemorial. It is also worth noting that direct sales of textiles and diverse handcrafts, through NGO's and academic institutions, helped to support exiles from El Salvador, Guatemala, and Nicaragua, during the armed conflicts in these countries during the 1980s and 1990s. At present, some producers sporadically sell their products at educational and social institutions. However, they are not necessarily organized into communal organizations or cooperatives, and there is no explicit reciprocal commitment between sellers and fair-trade academic and social enthusiasts who buy from them.

Some Mexican producers attempted to introduce their own domestic fair trade labels, after their experiences in the international fair trade market, but encountered disloyal practices. In 1998, the largest of small coffee growers' associations, together with some NGO's, decided to create a domestic fair trade organization, *Comercio Justo México, A. C.* (Fair Trade Mexico), with its own label, the *Sello de Comercio Justo México* (Mexico Fair Trade Seal). At the same time, the project for a commercial distributor (*comercializadora*), *Agromercados, S. A.*, began to develop with small producers' organizations as shareholders. At present, both are independent structures and coordinate some of their activities to benefit participating organizations and their members. A certifier, Certimex, S.C., founded in 1997,

carries out inspections following the standards of the Fairtrade Labelling Organization, which it joined in July 2002.[49]

The small coffee growers' associations decided to develop a fair trade market in Mexico due to limitations of the international market: even though larger volumes are traded after the creation of fair trade seals, consumer demand is below supply. According to Jaffee et al., ''for all but a few of the best organized coffee cooperatives, for example, Northern fair trade markets represent only a small fraction of their sales, and at best a modest additional increment to producers' incomes.''[50] Most of what coffee growers produce enters the market through intermediaries, with all the problems inherent to traditional economic practices. Further, fair trade is not necessarily identified with organic production in Mexico, since not all producers can afford organic certification or locate in an area where ''high grown Arabiga coffee'' or other valued crops can grow.

Comercio Justo México works as an ''umbrella organization'' for diverse fair trade participants, from Indigenous producers' cooperatives to promoter agencies and distributors of diverse agricultural products, textiles, and handcrafts. At present, nine small coffee growers' associations (including UCIRI) and one sesame and sesame oil producer association sell their products under the *Sello Mexicano de Comercio Justo*.[51] As is the case for international fair trade, these organizations create high quality organic products for the domestic market, reinvest their earnings to improve production and benefit their communities through fair wages and social programs.

Comercio Justo México has developed a set of guidelines which are also basically the same as those for the international fair trade movement, as well as specific quality and certification standards for coffee, and four other products: cacao, honey, handcrafts, and basic grains (principally corn). The main difference with international guidelines is that only small producers participate in Mexico's fair trade seal, not large estate laborers.[52] The six main *Comercio Justo México* guidelines are:

(1) guaranteed minimum (floor) prices to cover the costs of production and protect producers against price fluctuations;
(2) a social development premium, to support building schools, roads, health centers and other projects, and an additional premium for certified organic products;
(3) advance credit or payments, so that producers are not forced into debt to make ends meet;
(4) financial and technical assistance, and long-term contracts and trading relationships, which offer greater economic stability to producers;
(5) for producers, democratically run cooperatives and environmentally sustainable production practices; and
(6) public accountability and financial transparency.[53]

Another initiative to develop the fair trade market in Mexico is *Café de Nuestra Tierra*, an *Agromercados* project to establish a chain of coffee shops in several cities to increase consumption of organic and fair trade coffee, as well as traditional coffee grown by Indigenous producers. A coffee shop opened by *Café de Nuestra Tierra* in Mexico City sells coffee from producers belonging to 12 regional organizations affiliated with the *Coordinadora Nacional de Organizaciones Cafetaleras* (National Coordinating Agency of Coffee Producer Organizations – CNOC). *Agromercados* has also created a single domestic fair trade label, *Café Fértil*, for coffee produced by its members.[54]

Fair trade *tortillerías* (tortilla stores) are another breakthrough domestic development. Tortillas are a product that reaches a large number of poor consumers, in contrast to other fair trade niche products, aimed at consumers with higher incomes. *Grupo Jade*, another agency associated with *Comercio Justo México*, has opened 15 *tortillerías* in the city of Guadalajara. Tortillas sold at these stores are made out of GMO-free, fresh-ground Mexican corn, instead of low-quality dry corn meal, imported from the United States under NAFTA. These *tortillerías* also sell other products from the *Grupo Jade* member associations. *Grupo Jade* has opened these *tortillerías* as a way to deal with problems caused by free trade in Mexico, including price increases after the elimination of price controls and of federal subsidies to producers, as well as the rural exodus to large cities and to the US.

A similar project, still under development, *Nuestro Maíz*, aims at offering ''quality food at an equal price'' to working-class neighborhoods. As the

director general of the *Asociación Nacional de Empresas Comercializadoras de Productores del Campo* (National Association of Peasant Marketing Enterprises – ANEC) – to which *Nuestro Maiz* belongs – stated: ''This experience… is different because it is socially owned and also because of the service and the product it offers.'' Competitively priced and better-tasting fair-trade tortillas touch on sovereignty and fairness issues, and suggest that fair trade can reach and benefit both mainstream producers and non-affluent buyers of basic grains.[55]

As a result of the fair trade movement in Mexico, 80% of its fair trade coffee production is now sold abroad and 20% in the domestic market, providing additional income to producers, as does the sale of other products, such as *tortillas*, cacao, honey, handcrafts, and basic grains. However, fair trade is not yet a mainstream reality for Mexican consumers. For instance, 70% of coffee sold in Mexico is instant coffee, processed by Nestle.[56]

Still, there is room for growth. A study by the Jesuit University ITESO (*Instituto Tecnológico y de Estudios Sociales de Occidente* – Western Technological and Social Studies Institute) estimates 40% of the population in Mexico as potential consumers of fair trade products. ITESO found that only 0.8% of the population in the city of Guadalajara and 3% in Mexico City are interested in fair trade. Educating consumers about fair trade is one of the strategies to promote growth. However, besides ethical motivations, marketing strategies must be taken into account. For instance, organizational and retail strategies in stores, frequently managed by cooperatives, can be improved. Interestingly, the appeal of healthier organic products is a strong selling point. Product selection, design, packaging, and diversification (beyond what is available locally) also influence consumers.[57]

However, no doubt, the growth of fair trade in Mexico will be hampered by the ongoing worldwide economic crisis. Designed for consumers with certain economic advantages in rich countries, fair trade appears to be a frail greenhouse crop in a poor country where the effects of free trade have been widely felt since neo-liberal policies began to be implemented in the 1980s (known by many analysts as ''the lost decade for Latin America'').[58] Effects of the 2008 economic collapse include an initial currency devaluation of close to 50%, corresponding price increases and growing unemployment – aggravated by the return of unemployed migrants from the United States because of the economic crisis there.[59] The middle classes continue to experience a dramatic decay in their standard of living, while a large part of the population (from approximately 40 to 60%) lives in extreme poverty conditions, simply struggling to survive. Their situation has to do with the attack on production for the domestic market under neo-liberal policies. New employment, created under fair conditions, will turn these people into consumers.[60]

An emerging and greatly diversified movement to deal with the aggravated ancestral poverty of many in Mexico, Latin America, and the rest of the world is being encompassed under *Economía Solidaria* (Solidary Economy). This umbrella concept includes producers, particularly small Indigenous producers, as well as consumers and their cooperatives, credit unions, ecological and alternative health organizations, and other civil society associations. One of the inclusive associations of these diverse actors, the *Espacio de Economía Solidaria* (Solidary Economy Space), created in 2002, is associated with the World Social Forum. A sign of the dynamism of the *Economía Solidaria* movement is the legislative bill on the *Ley General de la Economía Social y Solidaria* (General Law of Social and Solidary Economy), which was discussed in the Mexican Congress on March 18, 2009. In addition, several private and public Mexican universities are already teaching or creating undergraduate and graduate programs on *Economía Solidaria*.[61]

The present and future of fair trade

In Mexico and the rest of the world, the fair trade model, in contrast to ''zero-sum'' neo-liberal practices, represents a ''holistic'' vision of socially and ecologically sustainable economic development.

First, it is based on a commitment to pay fair prices to small agricultural and artisan producers, and living wages to large estate laborers, helping to improve their lives, making them more visible to consumers and eliminating – as much as possible – the chains of traditional intermediaries, who benefit the most from trade in the open market. The additional income that fair trade provides also helps small

producers to improve their production and distribution operations, as well as their communities, by reinvesting their earnings.

Second, concern for the earth, for living things and for human health, from a holistic and not merely ''environmental'' perspective, has also become a central part of the fair trade movement. Organic production of agricultural and animal foodstuffs and other consumption items eliminates chemical pesticides and fertilizers, antibiotics, and other toxic substances.[62] Incidentally, shade-grown coffee (now also a part of organic and fair trade production in many cases) is predominant in Mexico, in contrast to Brazil, Colombia, Costa Rica, and other Latin American countries, where trees and other plants are destroyed for open space monoculture under the sun.[63]

Open space monoculture causes severe ecological damages, disturbing habitats and bio-diversity through deforestation, and bringing adverse changes to the atmosphere, water, wild animal species, and humans. For instance, about 40–50 species of birds and other kinds of animals can live in a tree-shaded coffee area. Soil erosion and pollution are also increased by using large amounts of long-lasting chemical fertilizers and pesticides for monoculture production. Moreover, non-organic growers normally do not wear any protective devices against pesticides and often store them, instead, in the bedroom or even the kitchen. Some of these chemicals (for instance, DDT and Paraquat) have been banned in industrial countries long ago because of their potential carcinogenic effects.[64]

In contrast, many Indigenous communities throughout the world address ecological issues following a different, deeper, way of thinking than the convenient thought of avoiding or reducing damages to the environment – perceived as an enveloping foreign entity – prevalent in rich countries. For instance, since before the arrival of Europeans, Indigenous peasants on the American continent reverently ask for Mother Earth's forgiveness for hurting it as they plow it to obtain their livelihood. Humans belong to Mother Earth, not the earth to humans.[65]

How does the social goal of fair trade fare? Empirical research confirms the conclusions of the UCIRI and Max Havelaar Seal creators that fair trade benefits producers but does not bring most of them out of poverty. Higher prices increase their household incomes, allowing them to reduce their debts and affording them the possibility of better feeding and educating their children, although the cost of organic production is higher. Fair trade also affords peasant farmers partial protection from some of the worst aspects of commodity crises and, in many cases, allows them to engage in more sustainable agricultural practices. The extra capital can provide additional employment even to non-participating families. According to Jaffee, ''it is during… prolonged slumps that the differences between conventional and fair trade markets – and between the socioeconomic conditions of families who participate in those two markets – are visible in their greatest relief.''[66]

However, problems created by the producers themselves can deviate the movement from its course. UCIRI considers that not all its members have an even level of social, political, and cultural participation. Sixty-five percent of them are hard workers in good and bad times but the rest are opportunists who only see their economic benefit. These opportunists, for instance, try to buy coffee from their partners at a lower price to sell it in the open market, as *coyotes* did before the creation of UCIRI. They are also easy to manipulate, economically and politically. Hence, politicians have tried to divide the organization. UCIRI members also criticize the initial orientation of their production for export only, neglecting the domestic market. They have learned that they must produce also ''for Mexicans to enjoy what their land produces.'' Another problem faced by Mexican producers' organizations is competition amongst themselves, which they try to eliminate by creating common fronts to face the market and the government bureaucracy.[67]

On the consumers' side, a central tension exists, at present, between movement- and profit-oriented fair trade participants (which in the US include Starbucks, Procter & Gamble, Chiquita Banana, Nestle, and other corporate partners). In Mexico, some cooperative projects begun with a fair trade inspiration are seemingly turning into business propositions, with a private owner. This problem between the movement and the model, between its activist and business poles, was created by turning to corporate giants to boost demand for fair trade

products.[68] The practice of these diverse participants in the fair trade movement reflects widely different understandings of what fair trade is, and how it should relate to the larger market. Three main tendencies or emphases prevail, going from the business to the activist pole: access to market, reform or improvement of the global market, and fundamental transformation of economic relations.

The impressive growth of the fair trade movement (although still on a modest scale in terms of the economy in general, both in Mexico and globally) and its potential for further growth lead to several related questions which beg for answer from educated and ethical consumers, practicing ''pocketbook'' democracy, who seem to be an important key: What is the purpose of the movement, to extend or to transform the market? How can fair trade represent a fundamental challenge to the conventional market, while enlisting many corporate players? Can fair trade transform global trade from within? What kind of an alternative does fair trade offer to consumers? What role do consumers and the education of consumers play?

Another aspect to explore, closely related to the growth and the ethical thrust of fair trade is its relation to global-justice movements.[69] Fair trade is a means to address the growing international and domestic gap between the poor and the rich. However, fair trade activists argue that the movement needs to be connected with the social justice movement and with civil society, because the market by itself will not provide long-lasting rural development, eliminate poverty, or fundamentally redistribute wealth, as a voluntary system. Students, NGO's, and other activists in the First World have shown the way to stop ''sweatshop'' practices at production centers, through commitment to stricter ethical standards by purchasing institutions. It is necessary not only to support producers in their countries, but also to promote structural changes in consumers' countries, to end deeply entrenched economic and social practices. Further, concerted action is required by nation states and global institutions to re-regulate trade, corporations, and other economic actors, and to redistribute wealth, land, and productive resources more fairly, to achieve a socially just economy. The European Parliament resolution of 1995, and the legislative reforms being discussed in Mexico, Spain, and Uruguay in support of Solidary Economy, point in this direction.

Concluding remarks

This ambivalent period, with forebodings of doom and hope for the future, is a good time for a fundamental reflection on economic values and their relation to society and the world at large. From a Third World perspective, the promise of globalization has been denied by the historical premises on which it has been built since the sixteenth century: European-based global conquest and colonization, at first, followed by economic imperialism with the advent of the industrial revolution and of the international division of labor in the nineteenth century. The production of raw materials was allocated then to non-industrialized countries and that of manufactures to industrially developed countries. In the twentieth century, industrial development programs were promoted by the North for the South after the Second World War, and replaced by neo-liberal, ''market-driven development'' under Globalization.[70]

Under all these guises, the economic and human development goals of most countries in the world continue to be defined by a few from the top down. Globalization from the top implies what Frans Vanderhoff has termed de-globalization for those at the bottom: ''exclusion and a greater degree of exploitation of small peasant producers.''[71] What globalization has produced for many is global heartache, with its winners and losers as a result of merciless competition. Furthermore, as we are dramatically witnessing since 2008, sometimes the winners themselves get caught in their own trap.

The analysis of the present world economic crisis far exceeds the limits and space of this article. However, looking at the historical development of economic thinking, it is relevant to note that the rules of the market, created by humans, are different from objective and ''natural'' or supernatural laws, although the ideological advocates of neo-liberal globalization would make us believe that ''There Is No Alternative,'' as Margaret Thatcher, the former British Prime Minister, proclaimed. It is to be hoped that consumers will not be so much awed by current mainstream economic doctrine, after seeing the

results of its application. The crisis has made it clear that social limits must be imposed on economic activity, if we are to avoid the unregulated practices of economic players, which have produced global chaos.

In relation to trade, in particular, if we are to proceed in an ethical way, we all, then, need to learn what it means to buy products from an economy whose competitive advantage is based on low wages, with forced subsidies from Third World producers to First World consumers, aggravated by the ongoing "race to the bottom." Waridel (2001) asks: "How is one to explain that those who work to ensure that Northern consumers enjoy year-round access to diverse and abundant foods themselves suffer from malnutrition?"[72]

Consumer education and social pressure, from an ethical stance, need to continue at learning centers, religious, and social institutions, and also for consumers at large, in both North and South countries. Going beyond the always appealing possibility to save money, supporting – or perhaps unaware of – market practices that generate inequality, consumers must realize that they have the power to shape the economic system by choosing, as Waridel says, "to pay a fair price for what we consume for producers to be self-sufficient."[73]

As described in this article, producers for the fair trade market do not want to be perceived as "superfluous" entities, available for exploitation by others, or as objects of aid, but as subjects in a reciprocal relation.[74] Their struggles remind us that the fair trade movement needs to remain close to the ethical concerns that inspired its creation, if it is to point toward a better, more ethical, and human future.

Notes

[1] UCIRI, "U.C.I.R.I.: Nuestro Caminar," in Vanderhoff (1986, p. 39).

[2] Presentation at the Fair and Sustainable Trade Symposium. Cancún, September, 2003. Quoted by Jaffee (2007, p. xiii).

[3] The city named *Teotihuacan* ("Dwelling Place of the Gods") by the Aztecs, lies about an hour away north of Mexico City, depending on traffic (which is a main consideration these days). *La Jornada*, October 10, 2005; for more reactions, before and after the opening day, see also *La Jornada* and many other Mexico and US periodicals.

[4] For a political economy discussion, based on Karl Polanyi and his followers, of answers to problems created by a capitalist market economy in the nineteenth century, see Jaffee (2007, *Brewing Coffee*, pp. 17–24). For the embeddedness of ethical questions within political economy, unlike "scientific economics," see also: "Political Economy," *Oxford Companion to Politics of the World* (Oxford University Press, Oxford, 2002), pp. 663–666; Kathryn Sutherland, 1998, "Introduction." Adam Smith, *An Inquiry into the Nature and the Causes of The Wealth of Nations*. A Selected Edition (Oxford University Press, Oxford), xi, *passim*.

[5] Waridel (2001, pp. 81–82).

[6] While Susan Harding warns us that Japan is "South" but not "Third World," Laure Waridel notes that Mexico, as a producer country of coffee and other commodities, is considered "South" but belongs to North America, together with Canada and the United States. Other current designations are equally inadequate to characterize poor and rich countries (also a relative concept; there is a "First World" in the "Third World" and vice versa) and their relation. Keeping in mind these caveats, in what follows I use these terms indistinctly to simplify the presentation. See Shim, Terry, ed.: 1997, *Science and Technology in a Developing World* (Kluwer Academic Publishers, Dordrecht), pp. 41, 103; Waridel (2001, pp. 17–18).

[7] *Max Havelaar, or the Coffee Auctions of the Dutch Trading Company* is a nineteenth century novel written by Multatuli (Edward Douwes Dekker's pseudonym), where Havelaar defends East Indies natives against the excesses of Dutch colonizers. See, for example, Roozen and Vanderhoff, pp. 9–12; Jaffee, "Introduction," p. 1; http://en.wikipedia.org/wiki/Max_Havelaar.

[8] Two such well-established practices are farmers' markets, in Europe and the US (where also community-supported agriculture arrangements – CSA are found). For instance, see Jaffee, p. 25. For a discussion of domestic organizations both within the North (US) and the South, focused on agricultural products and working from fair trade principles explicitly or implicitly (the "fair trade" label is not commonly used in US producers' literature), see Jaffee et al. (2004).

[9] SERRV's acronym stands for Sales Exchange for Refugee Rehabilitation and Vocation. See http://www.serrv.org/AboutUs/OurHistory.aspx; Jaffee, pp. 12–13; Waridel (2002, pp. 93–94). For ethically inspired fair trade organizations in the US and Canada, see also Waridel (2002, pp. 101–104).

[10] Jaffee et al., p. xiii.

[11] For *coyotes*' activities, and a detailed explanation of links in the traditional coffee market, including intermediaries, wholesalers, exporters, financial markets, and retailers (prices are fixed at the New York [*Arabiga*] and London [*Robusta*] exchanges, depending on the variety and on how good or bad a harvest is), see also Waridel (2002, pp. 48–56); Jaffee, pp. 42, 45.

[12] For *INMECAFE* and its successor, the *Consejo Mexicano del Café*, see, for instance Waridel (2002, p. 67); Jaffee, pp. 50–52.

[13] Jaffee, xiii. For a general description of the Tehuantepec Isthmus Area from these small producers' standpoint, and of the problems they faced before the creation of UCIRI, see, for instance, ''Anexo. Unión de Comunidades Indígenas del Istmo (UCIRI),'' Vanderhoff (2005, pp. 145–146); Roozen and Vanderhoff (2002, pp. 58–59); Waridel (2002, p. 67). For the endemic poverty of small growers, see also Waridel (2002, pp. 42–46).

[14] See, for instance, http://www.inegi.org.mx/est/contenidos/espanol/rutinas/ept.asp?t=mlen02&s=est&c=3327; *Almanaque Mexicano 2000*, pp. 68–72: Waridel (2002, p. 68).

[15] After considering the expenses incurred by the Mexican state for the preservation of archaeological sites, an Indigenous person aptly noted that ''people are more important than stones.''

[16] According to the FAO, UCIRI's democratic organization, based on local Indigenous government systems, has been a key factor for its success. See Horacio Almanza-Alcalde, ''La Unión de Comunidades Indígenas de la Región del Istmo (UCIRI),'' http://vinculando.org/comerciojusto/mst_comercio_justo/uciri.html, published on June 9, 2005. For UCIRI's democratic organization at the central and local levels, see also Waridel (2002, pp. 73–75). Other surviving communal institutions peculiar to Oaxaca are the legislation on *Organización de Bienes Comunales y del Municipio Autónomo* (Organization of Communal Goods and of Autonomous Municipalities) and the legal practices based on ancestral *Usos y Costumbres* (Uses and Customs) proceedings, in place before the arrival of the European legal system, and recognized as legally binding by the state's constitution. See, for instance, Vanderhoff (2005, p. 83); Waridel (2002, p. 68). For communal institutions in other Oaxacan villages, see Jaffee, pp. 58–71.

[17] Vanderhoff, ''Viviendo entre los pobres,'' Roozen and Vanderhoff, pp. 13–40; see also Vanderhoff (1986, pp. 18–19; 2005, pp. 35–46).

[18] However, Frans is not a coffee grower. He stopped farming cows (as he had done in Holland) for health reasons and raises chickens, and grows peanuts and corn. Roozen and Vanderhoff, pp. 13, 56.

[19] Vanderhoff's religious commitment and his experiences with Mexican Indigenous groups also found expression in his doctoral theological dissertation: *Organizar la esperanza*, *op. cit.*, above. Dutch version: Kok, Kampen, 1991.

[20] For a detailed exposition of the analysis of problems by the coffee growers, see Waridel (2002, p. 70).

[21] For the learning process of UCIRI members, see Waridel (2002, pp. 70–71).

[22] Between 1982 and 1983, the Isthmus coffee growers had created a regional producers' organization, the *Asociación Regional de Interés Colectivo* (Regional Association of Collective Interest – ARIC). Roozen and Vanderhoff, pp. 63–64; Almanza-Alcalde.

[23] After 1992, *coyotes* ended their war against the villages and moved from the Isthmus highlands to cities in the valley. Roozen and Vanderhoff, pp. 65–66; Waridel (2002, pp. 71–72).

[24] Before 1985, a group of Dutch and German agronomers, together with representatives of fair trade organizations, were invited by religious activists to visit UCIRI, and the former decided to support its struggles. Vanderhoff and Galván, p. 131; Almanza-Alcalde. A considerable amount of references to Frans Vanderhoff, Nico Roozen, and their studies, can be found through a ''Google search'' on the internet. See also the References.

[25] Roozen and Vanderhoff, p. 10.

[26] Thus, UCIRI was a pioneer producer of organic coffee. However, as we know, although fair trade has become closely linked with organic products, not all fair trade agricultural products are organic, and there is a large market of organic products which is not related to fair trade either. The ''clean coffee'' sold in the World Shops, before Max Havelaar was created, represented 0.2% of coffee sales in Holland. Roozen and Vanderhoff, p. 11. See also Jaffee, p. 91.

[27] Roozen and Vanderhoff, pp. 9–10; Vanderhoff (1986, *pp. 88–90).*

[28] Jaffee, p. 4; Waridel, p. 9; Vanderhoff (1986, pp. 30–44–45). For the history of coffee in the world and in Mexico, see also Jaffee, pp. 39–40; Waridel (2002, pp. 32–34). For data on world coffee production, see International Coffee Organization: www.ico.org, October 2001. Cited in Waridel (2002, p. 51, chart).

[29] Roozen and Vanderhoff, pp. 106–108. See also Vanderhoff (1986, pp. 59–61).

[30] UN0, 2000. Cited by Almanza-Alcalde; Roozen and Vanderhoff, p. 77.

[31] Communities belonging to UCIRI also grow several fruits and vegetables, such as corn, beans, chile peppers, oranges, limes, bananas, avocados, mangoes, and some Mexican fruits such as *chicozapote*, *zapote negro*, *and mamey*. ''Anexo, UCIRI,'' Vanderhoff (2005, p. 147);

Vanderhoff and Galván (1998, pp. 129, 132, 135–136), cited by Almanza-Alcalde; Waridel (2001, p. 67, 77).

[32] Roozen and Vanderhoff, pp. 69–70, 77; Waridel (2002, pp. 78–80). For quantitative research on the way producers' groups invest their earnings (premiums) toward education, health services, infrastructure projects, and women's initiatives, benefiting their members and the communities where they belong, see Jaffee, pp. 93–132; April Linton and Marie Murphy, "'Good' Markets and Public Goods: Impacts of Fair Trade in the Global South," in progress (cited with permission of the authors), pp. 10–15.

[33] As Vanderhoff says, "Life in the countryside is characterized by the struggle for survival. Perhaps, it is a common characteristic to all small producers in the world." Vanderhoff (2005, p. 68). For their survival strategies, see also *ibid.*, pp. 67–76; Jaffee, pp. 165–182.

[34] Roozen and Vanderhoff, p. 107.

[35] Other difficulties had to do with obtaining licences from the European Union to import coffee and, later, other products. Roozen and Vanderhoff, pp. 83–96.

[36] Roozen and Vanderhoff, pp. 96–97.

[37] Roozen and Vanderhoff, p. 107.

[38] Roozen and Vanderhoff, pp. 109–110; Jaffee, p. 3; Waridel (2002, pp. 94–95).

[39] Jaffee, p. 16; Waridel, p. 15. For a list of the main transnational coffee wholesalers, see Waridel (2002, pp. 58–60).

[40] Roozen and Vanderhoff, pp. 14–116; Waridel (2002, pp. 95–98). For certification criteria by the FLO, see Waridel (2002, pp. 98–99, 125–128).

[41] Mance (2008, p. 125).

[42] Jaffee, p. 15.

[43] Jaffee, p. 3. For producers' groups globally, see also Linton-Murphy, pp. 9–10.

[44] For the Global Exchange Starbucks campaign, see, for instance, Jaffee, p. 26; Waridel (2002, pp. 107–109).

[45] Jaffee, p. 26. For the origins and the implications of the Max Havelaar seal, see also Francisco Vanderhoff, "*Un mercado justo para el café*;" Waridel, pp. 95–97.

[46] Pepe Alvarez-Icaza, Solidarity 72 Conference, Toronto, 1972.

[47] "Anexo, UCIRI," p. 148; Jaffee, p. 15; Almanza-Alcalde; For fair trade products sold in Europe and the United States, see also Waridel (2002, pp. 93–94). For data on other products, see also Jaffee, p. 16.

[48] "Anexo, UCIRI," pp. 147–148; Vanderhoff (2005, pp. 158–163); Waridel (2002, pp. 83–86); Almanza-Alcalde.

[49] Roozen and Vanderhoff, pp. 116–117; http://www.comerciojustomexico.com.mx/; http://www.certimexsc.com/english/quienes_historia.htm; Waridel (2002, pp. 82–83).

[50] Jaffee et al., pp. 184, 185.

[51] See http://www.comerciojusto.com.mx/; http://vinculando.org/vcs/quienes_somos.html; http://www.grupojade.org.

[52] Jaffee et al., p. 185.

[53] See http://www.comerciojusto.com.mx/comercio/sello.html; Jaffee, p. 2. For fair trade principles, see also Waridel (2002, p. 65).

[54] http://www.grupoalianzaempresarial.com/agromercadossadecvelcafedenuestratierra_e_131229.html; Jaffee et al., p. 185.

[55] http://www.grupojade.org/. ANEC, also a *Comercio Justo Mexico* member organization, is made up of seven regional small producer organizations and over 31 local organizations in the states of Puebla, Tlaxcala, Chiapas, Zacatecas, Nuevo León and Tamaulipas. See http://www.anec.org.mx/iniciativasanec.htm. For the rural exodus, after NAFTA was signed, see also Waridel (2002, pp. 33–34); Jaffee, pp. 182–193. For other fair trade promoter organizations in Mexico, see also Waridel (2002, pp. 86–87); Rodríguez, nd (quote).

[56] Patricia Pocovi Garzón et al. "México un país de contrastes: caminando hacia el comercio justo." *Mercadotecnia Global* (65), 5. See also http://mktglobal.iteso.mx/.

[57] According to ITESO's research, the remaining 52% of the population in Guadalajara do not have any idea of what fair trade is, 18% have a wrong idea and do not feel motivated to buy fair trade products and 29% buy organic products available in supermarkets. Besides its research on fair trade, ITESO is developing a project to open a store for fair trade products drawing on the expertise of the University's professors, and another project for importing products from countries in Africa and Latin America. Pocovi Garzón et al., *ibid.*

[58] For specific effects of neo-liberal policies on coffee growers in Mexico, see Jaffee, p. 42, ff.

[59] According to well-informed observers, the influx of unemployed people from the United States is already being felt in several Mexican states (approximately between 1,500 and 2,000 people have returned to a small town of 17,000 in the State of Puebla), adding to the already high unemployment in the country.

[60] As a representative of cotton textile artisans – ruined during the first wave of free trade in Mexico after Independence (1821–1829) – warned, unemployment would follow the anticipated decay of domestic agriculture, industry, and trade: "we will see our stores (*almacenes*) full of valuable fabrics (*ricos tejidos*), almost given for free, and our citizens naked because they will not have the means to buy them." See Alvarado (2008, pp. 269–270).

[61] Declaración: *II Foro Internacional, Respuesta a la Crisis: Economía Social y Solidaria*. Cámara de Diputados. Mexico, March 18, 2009. See also, for instance, Rafael Jacobo Zepeda, "Es la economía solidaria una alternativa a la crisis mundial? Un punto de vista desde la sociedad civil," *II Foro Internacional*, *ibid.*; Altagracia Villarreal et al., pp. 3–6; Cotera Fretel et al. (2008); Mance, pp. 181–184.

[62] The European Agriculture Commission defines organic products as follows: "the peasant (farmer) does not utilize chemical fertilizers or pesticides, and uses, instead, certain organic agricultural techniques." Quoted by Roozen and Vanderhoff, 38. Organic production at UCIRI, as described by Rosendo Díaz: "They make mixed fertilizer (*abono*) with coffee pulp (*bagazo*), a little lime, leaves and chicken or cow manure. Chemical fertilizers are no longer used at all and the yield of coffee trees has increased." Roozen and Vanderhoff, p. 76. See also Vanderhoff (2005, pp. 53–61); Jaffee, p. 40; Waridel (2002, pp. 75–77).

[63] For a detailed discussion of the different types of organic shade-grown coffee production in Mexico, see Jaffee, pp. 135–147.

[64] See, for instance, Waridel (2002, pp. 34–37, 47–49).

[65] See, for instance, "Anexo. UCIRI," Vanderhoff (2005, pp. 154–158).

[66] Jaffee, pp. 6–7 (quote), 8, 94–124.

[67] "Anexo. UCIRI," pp. 163–164; Roozen and Vanderhoff, pp. 68–69.

[68] A central part of the ongoing power struggles within the fair trade continuum is the troublesome, asymmetrical, relation of certifiers who are seemingly lowering requirements for transnational corporations from the North, while increasing them for small producers from the South, against the grain of fair trade principles. See Jaffee, pp. 203–228.

[69] Jaffee, p. 8; Villarreal et al., *passim*; Cotera et al., *passim*. Mance, pp. 181–184, proposes to go even further, from a "solidary economy," to a "solidary collaboration."

[70] Aaran Segal, an advisor on development to Third World governments, stated in 1987 that "many are called but few are chosen," equating the exclusive call of development to the Gospel doctrine of the elect. Segal classified countries worldwide according to their science and technology capabilities as follows: fully institutionalized (one country), semi-institutionalized (six countries), partly institutionalized (five countries), partly institutionalized-petroleum dependent (seven countries), long shots (seven countries), apparent failures (seven countries) and others: non-starters (130 countries). For Samir Amin and many other authors on globalization, modern polarization is inherent to the development of capitalism and has led to chaos. Aaran Segal, *Learning by Doing: Science and Technology in the Developing World*. Westview Press, Boulder, 1987, p. 17, ff.; Samir Amin, *El Futuro de la Polarización*, *Los desafíos de la mundialización* (Siglo XXI Editores, Mexico, 2006), pp. 95–107. French edition: Paris: Editions Harmattan, 1996.

[71] Vanderhoff (2005, p. 15).

[72] Waridel (2002, p. 46).

[73] Waridel (2001, pp. 81–82).

[74] Roozen and Vanderhoff, p. 32

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