Social impacts of sustainable coffee

The social impacts of the production of certified sustainable coffee involve rising farm incomes, more stable employment possibilities for farm workers, enhanced community development as well as reduced health risks due to less use of agrochemicals. Many of the certification schemes include social aspects in their principles. The Fair Trade movement was started as a reaction to the existing world trade practices which the Fair Trade Labeling Organizations International (2001) consider the main cause of underdevelopment in some parts of the world. Most developing countries are dependent on the export of raw materials, which have experienced a declining price trend on the world market. The Fair Trade movement’s goal is to give the producers the incentives to take their development in their own hands through establishing direct links between producers and consumers.

A crisis in the coffee sector particularly affects the majority of small producers that do not have large savings and depend on cash income for expenses such as school fees and health care. The situation creates a general downturn in the rural economy, social instability and increased migration to urban areas. The negative impacts for the workers employed in the production involve a decrease in job security, coupled with low wages and hard and dangerous working conditions. In Central America, seasonal employment has decreased by over 20% and permanent employment with as much as 50% (IADB, USAID, World Bank. 2002). In Mexico, 500 coffee farmers per week are forced to leave their farms to seek other employment (Charveriat 2001).

PRODECOOP (Promotora de Desarrollo Cooperativo de Las Segiovias) in Nicaragua was established 1993 and includes 2,420 families in 69 cooperatives (TransFair USA 2000). In 2000, the sales to Fair Trade licensed market partners generated around US$ 600,000. The cooperative has invested in social development projects such as construction of schools and healthcare centers, as well as training in administration and legal matters. The money the farmers receive from premiums is mainly used to pay bank debt, invest in farm improvements, enhance nutrition etc. One family reports that their income has doubled and they have been able to keep their daughter in school.

A diverse production system as demanded in “shade-grown” certification schemes spreads the income risks compared to relying on coffee only. If the coffee crop fails due to frost or other factors, the farmer is still able to harvest his other crops. In a shade-grown system, the farmer can also use the shade trees as a source of firewood, fruits, timber and plants for medicinal purposes. In Peru, sales of these products have been noted to account for up to 30% of the income to the farm (Halweil 2002).

Producer organizations that enable local capacity building and enhance local infrastructure can significantly benefit their communities. In order to sell produce under the Fair Trade label it is required to work with communal development. Social development activities are included in the Conservation Principles for Coffee Production.
(Conservation International et.al. 2001) to ensure sustainable livelihoods in the community.

The GEF-financed project in El Triunfo Biosphere Reserve in Chiapas, Mexico has focused on building local leadership, train farmers and empower the communities through the support to the local cooperatives in marketing organic and shade-grown coffee. The project director, Arturo Vicente Arreola Munoz, considers it crucial to work with the communities and ensure a long-term source of income for the farmers to enable a sustainable development in the region (Bank’s World Today 2002). Through the revenues gained by selling their coffee under the Fair trade label, a cooperative of 5000 families that was started in 1982 in Mexico, has been able to develop their community by creating a bus line, a hardware store, healthcare service, cooperative corn mills, an extension and training program, accounting training and a secondary school (TransFair USA. 2000). Annual incomes of the farmers in the cooperative nearly doubled through the export relationship with Equal Exchange.

To establish a base for production of organic coffee, a project in Guatemala supported two of the existing cooperatives that were inactive and divided during the war (Cifuentes undated). The project also helped to organize a third cooperative in the region. The people in the area were after the war reluctant to organize themselves, but they also saw the added benefits of community development in form of improved infrastructure and communication, health services, education and other support the cooperatives could bring to the region. During the implementation of the project, strategic alliances were formed with social institutions to ensure long-term social development. A plan was also established within the project to raise the local capacity through training of farmer extensionists and researchers. Together with periodic support from the professional extension service, the trained farmers would ensure continuity of the extension service after the project was ended. The regeneration of the social texture after the war has created space for participation of both women, men, and children, which have increased their knowledge level, and participatory programs on equality helped the women to raise their self esteem. The increased production at the farm level generated around 1200 employment opportunities per year and contributed to reduce the migration (Cifuentes et.al. 2002).

The health benefits from reduced use of agrochemicals can be illustrated by several examples. Over 100 human poisonings per year were reported in Colombia in 1994-1995 due to the use of the pesticide endosulfan in coffee (Rice and Ward 1996, adopted from Pesticide Action Network North America). The World Resources Institute notes that the safety procedures while using pesticides in developing countries are as a norm inadequate. The widespread removal of shade cover from Central American coffee plantations, and the introduction of a production system that requires larger amounts of fertilizers, has led to nitrate contamination of drinking water e.g. in Costa Rica. Organic and shade-grown systems prohibit or significantly reduce the use of agrochemicals in the production. Farmers and farm workers are benefiting directly from less contact with the chemicals, but also the general public and the environment benefit significantly from less use of agrochemicals.
References:


