

## Introduction

---

### *Understanding the Organic Coffee Boom in Chiapas*

ALTHOUGH DECADES—if not centuries—of economic policies have entrenched poverty and environmental decline throughout rural areas of Mexico and Latin America, small-scale coffee growers of mostly Mayan origin in Chiapas, the southernmost state in Mexico, have been organizing themselves in search of new options to confront this stark reality. Their organizations not only may be paving the way toward alternative solutions to widespread rural poverty but also may be generating environmental recovery based on the frequent use of organic production practices. Despite the severe crisis that rural Mexico has undergone over the past two decades—which came to the world’s attention with the Zapatista uprising in 1994—these peasant farmers, or *campesinos*, have converted Mexico into the world leader in production of organic coffee.

The most important growers of organic coffee in the global economy, mostly indigenous peasants from the mountains across the poor southern Mexican states of Chiapas and Oaxaca, became the most organized sector of Mexico’s revitalized peasant movement in the 1980s and 1990s. As part of the new movement, some groups (re)organized themselves into coffee cooperatives, combining traditional communal structures with elements of cooperative commercial enterprises. Some of them have been so successful that they provide a unique opportunity to analyze the elements that might be involved in more sustainable rural development policies and organization-building strategies for the future.

Coffee is the commercial crop best suited to the thin soils of the forested mountains in Chiapas. Coffee is also unique among Third World export crops in that most of the production and processing technologies involved were developed in producing countries. Coffee has thus contributed greatly to state formation over more than a century and to the development of modern infrastructure, since the use of nonimported technologies allowed for far more capital accumulation within producing countries than did other export crops. Today coffee, produced by both large and small farmers, continues to be an important source of foreign exchange for many countries. But recent years have seen the drastic reconfiguration of national and international coffee markets. While many of the changes hurt small-scale farmers, they simultaneously have generated new opportunities for those peasants who produce high-quality coffee—especially those who produce organically—and thus many peasant coffee cooperatives have entered the growing market segments created by the differentiation of the once monolithic coffee market into *specialty* and *gourmet* markets. Small-scale farmers have proven able to take advantage of these new market opportunities, but only when they are well organized and produce a quality product.

The organization and networking of small-scale farmers—the level of *social capital* they have built—is the key element that allows them to tap into market opportunities and to intensify their production in a sustainable manner. In rural Mexico social capital grew extensively over the last few decades through a series of iterative cycles in which both the state and civil society played central roles. Once farmers were well organized, they were able to make productive investments in the *natural capital* they possessed—land well suited for growing coffee, water, and accompanying biodiversity—via organic farming practices, and thus tap into organic coffee markets.

The formation of social capital, combined with strategies based on investments in natural capital, results in positive synergisms that lead to broad-based, sustainable development. Development that is sustainable should not be exclusionary but rather should minimize social polarization and provide opportunities for the poor to make a decent living in ways that do not degrade long-term productive resources like soil.

The level of community organization and the degree of development of local institutions play a key role in the success of development efforts. In

the concept of *social capital*, social relationships are seen as resources that help people act effectively. Rural people are able to take advantage of networks, associations, and broader forms of social organization within their livelihood strategies, in order to access services, reduce risks, acquire information, and protect themselves against predatory practices. Furthermore, the importance of social cohesion within organizations with indigenous identity harkens back to the norms and social relations that create a sense of obligation.

The phrase *natural capital*, sometimes called natural assets, is increasingly being used to describe productive resources like soil, water, forests, fisheries, genetic stocks of crops and livestock, and biodiversity; the ecological processes that link them; and the environmental services they provide. Rural people need access to the natural resources of land, water, and forests in order to construct livelihoods; without a minimal stock of natural capital a rural family farm would find it difficult to survive or maintain its productivity. Families can invest in their natural assets by, for example, incorporating organic matter into the soil to improve fertility (Boyce and Pastor 2001), but natural capital can also be depreciated by such processes as soil erosion (Pretty 1998).

While most theorists have treated social capital and natural capital separately, a few analysts affirm the two go hand in hand.

Much of this book is based on a detailed study carried out with peasant coffee producers in Chiapas looking at the critical elements involved in the ongoing small-scale farmer organic coffee boom in Chiapas (Martínez-Torres 2003). The research methodology employed in the study was based on a socioeconomic and ecological survey of small coffee farms spread across different regions of Chiapas. The survey was organized by the membership of coffee-growing families in different cooperatives and farmers' organizations and by the production technologies they employ (traditional or natural, organic, transitional, and chemical based). The survey methodology is described in detail in Martínez-Torres 2003. Based on an examination of the roles of natural capital and social capital in this example of what seems to be more sustainable development, this book shows that investments in both types of capital are essential. The critical elements involved in the ongoing small-farmer organic coffee boom in Chiapas are the roles of *social capital* and *natural capital* within the context of *sustainable development*.

Only the formation of significant social capital allowed these coffee farmers to navigate the changing terrain of the national and global coffee market in the wake of the breakup of the International Coffee Agreement (ICA) and the disappearance of the Mexican Coffee Institute (INMECAFE). They were truly forced to “appropriate all the steps of the production process” (a phrase coined by Mexican peasant organizations) once INMECAFE stopped offering technical assistance, transport, and marketing. With the social capital they developed, small-scale coffee growers were then able to take advantage of the niches that opened in the global market with the collapse of the ICA. More specifically, their enormous success with, indeed the boom in, organic coffee, would have been impossible without a substantial previous buildup of social capital.

What the data demonstrate most clearly, however, is how *investments* in natural assets—via conversion to organic production, the introduction of shade biodiversity, and the buildup of leaf litter and humus—have paid off in both productive (yield) and economic (gross income) terms, and in terms of ecological indicators of the future sustainability of production (erosion prevention, future soil fertility, etc.). Although mainstream critics claim that organic farming leads to low productivity, this study suggests that the opposite is true. The strategy of investment in natural capital by organic farming is a viable alternative to chemicals in terms of the intensification of coffee agriculture. Investment in natural capital has given small-scale farmers the higher prices that come from organic certification—thus helping them weather the recurrent crises of the coffee market—while maintaining soil quality for future production.

In comparison to conventional approaches to rural development, the concept of sustainable development is not only more equitable and more ecologically sound—in the sense both of not damaging the external environment and of conserving or enhancing the resource base for future production—but is economically viable for the poor. While in the larger sense the term *socially just* may mean a broad distribution of the benefits of development, in the case of coffee production technologies, that term also encompasses those options that are appropriate for smaller and poorer farmers. In that context, the low investment embodied in natural technology, and the organic farming route to the intensification of production based on applying more labor to enhance natural assets, would be favored over the more capital-intensive chemical approach (especially

under conditions like those of much of rural Chiapas, where the opportunity cost for family labor is low).

The payoffs from investing in natural capital and the internalization of the environmental benefits of organic farming—via organic certification and price premiums—would be impossible to obtain without the earlier formation of significant social capital. This is partially because only effective organizations are able to obtain and maintain certification in the organic market. Furthermore, given the amount of technical assistance provided by these organizations to the farmers who are undergoing the transition to organic production, by either professional staff or by campesino-promoters, and the organizational learning involved, it is unlikely that even the natural capital investment of converting to organic could have been undertaken without having had sufficient social capital already in place. The conclusion is that in this case both forms of capital had to be cultivated in order to maximize the success of sustainable development.

The present dedication to organic coffee among small-farmer organizations in Chiapas can be seen as providing alternatives to poverty and to environmental degradation.