Forthcoming, 2011. "Coffee and Commodity Fetishism," in *Power and Everyday Practices*, D. Brock, R. Raby, and M. Thomas, eds., Toronto: Neilson.

Coffee and Commodity Fetishism

[insert photo 12.1]

Every day, millions of consumers throughout the world drink hundreds of millions of cups of coffee. The vast majority of these consumers live in North America and Europe, where coffee has become a core component of daily diets and social rituals. In Canada, a mid-range coffee consuming country, 81 percent of Canadian adults drink an average of 2.6 cups per day, making coffee the most popular adult beverage in the country (aside from tap water) above tea, milk, beer, fruit juice, and soft drinks (Coffee Association of Canada 2003). Yet, despite its immense popularity, not a single coffee bean is or can be grown in the temperate climate of Canada or any other Northern country. All coffee beans are produced in the tropical regions of Latin America, Africa, and Asia—areas that consume the least amount of the world's coffee. Just as millions of Northern consumers wake up every day and grab a cup of coffee on their way to work, so do millions of small farmers and rural labourers in the South wake up and go to work with the task of growing, harvesting, and processing the world's coffee beans. Coffee is the second most valuable legally-exported commodity by the South, after oil, and provides a livelihood for around 25 million coffee-producing families. Over 70 percent of the world's coffee comes from small farms of less than ten hectares (Fridell 2007; Oxfam International 2002). It is the quintessential global **commodity**—meaning it is produced as a generic or universal good specifically for sale on the market—linking the daily routine of millions of Northern consumers and Southern producers who live thousands of kilometers apart through a complex web of social, economic, cultural, and political relations.

It is not merely geographic distance or a vast array of linguistic and cultural traditions that separate coffee consumers from producers but highly unequal disparities in wealth and power. While there are major differences between coffee-producing countries in the South, some of which are significantly richer than others, in broad brush strokes, coffee tends to be produced in poorer countries among the poor and more marginalized rural communities by small-scale farmers or highly exploited, low-paid workers. This contrasts sharply with the typical middle-class coffee consumer in rich Northern countries. While the life expectancy at birth for the average Canadian in 2006 was 80 years, in coffee-dependent Guatemala it was 70 years and in Burundi it was a shockingly low 49 years. Similarly, while the GDP per capita (in Purchasing Power Parity) was $36,687 in Canada, it was only $4,311 in Guatemala and $333 in Burundi (UNDP 2008). Thus, the production and consumption ends of the global coffee industry are composed of highly unequal participants. This unequal relationship is continually reproduced and reinforced through the operations of the global coffee market itself. As one telling example, Oxfam International (2002) has calculated that the average Southern coffee farmer at the start of the millennium was receiving around $0.14 per kilogram for green coffee beans that were then transported, roasted, and sold by companies in the North for upwards of $26.40 per kilogram, representing a price inflation of more than 7000 percent; the lion's share of wealth created by the global coffee industry would appear to go firmly into the hands of Northern companies.

The typical coffee consumer can be forgiven for not being fully aware of these wealth disparities and how they are reproduced by the everyday operations of the global coffee market. After all, Northern-based coffee corporations hardly put the poor working and living conditions of coffee farmers and workers—or any genuine information regarding the social, ecological, or health aspects of coffee production and consumption—at the heart of their marketing strategies. Instead, they spend tens of millions of dollars a year on massive advertising campaigns designed to skirt these issues in favour of winning consumer loyalties by promoting up-beat, sexy images of the coffee-drinking lifestyle (Oxfam International 2002). Perhaps even more significantly, the very nature of the global market serves to mask the relationship between producers and consumers and prevent flows of feedback and accountability between them. When consumers survey various coffee options at a supermarket chain store, the products stacked on the shelves appear as independent, abstract commodities without connection to the workers who actually produced them. Similarly, thousands of kilometres away, coffee producers work hard each day to harvest a coffee crop that will ultimately be consumed by people that they are unlikely to ever meet. On both ends of the coffee chain, people's knowledge of the lives of those who consume what others produce and those who produce what others consume remains obscure and mediated by the market. In the nineteenth century, Karl Marx famously coined the term "**commodity fetishism**" to refer to this common condition of modern capitalism; the **commodity** itself becomes fetishized as an independent object with its own intrinsic value—a "$10 bag of coffee,"—rather than being the end result of the work of other people (Bernstein and Campling

2006a, 2006b; Hudson and Hudson 2003; Princen, Maniates, and Conca 2002; Marx 1978:319-329).

Intertwined with the market relationships that underpin **commodity fetishism** are multiple, taken for granted, **everyday practices** which, in a Foucaldian sense, embed the seemingly simple and direct act of drinking a "cup of joe" in complex power relations around common discourses and images (such as nationalism, gender and domesticity) and the normalization of particular practices that sustain and reproduce material conditions of inequality. What the everyday "cup of joe" has served to obscure, academics, social justice activists, and development workers involved in the coffee industry have long worked to reveal by "unpacking the center," uncovering and challenging the accepted "normal" social organization that reproduces coffee consumption and production on a daily basis and the hierarchies and power relations this normalization can obscure.

Rather than being just a cup of coffee, coffee is a complex **commodity** that is produced through the operations of an international social division of labor which has a long and often painful history, interwoven with the histories of slavery and **colonialism,** from the late fifteenth century to the twentieth century during which time Western European nations forcibly colonized much of what are today independent nation-states in the Global South. These social and historical processes are the focus of this chapter, which examines coffee as a **commodity** through an assessment of both the production and consumption ends of the global coffee chain. Throughout the chain, unequal relations of power are deeply embedded. In their most direct sense, these power relations, seen through a Marxian lens, are apparent in the exercise of economic and political power from the dominant classes. The global coffee elite, who own the transnational coffee companies or the giant plantations in the South, posses significant power over all other participants in the coffee chain through their control of coffee income (which workers and small farmers require to survive), massive marketing budgets (which manipulates the desires of consumers), and overall economic weight (which gives corporations considerable influence over state policies). This notion of power is intertwined with a Foucauldian approach, focused on the power of dominant discourses and representations, and a postcolonial approach, which highlights the historical power of the West to define the norms, values, and assumptions around the coffee industry in a way which serves to obscure the inequalities in the industry, making them appear as the outcome of a natural global hierarchy, as opposed to a tumultuous and conflict-ridden history. This chapter seeks to make visible these power relations which are central to our everyday social world. Part 1 discusses coffee production in the South and examines the highly unequal social relations of production that form of the base for the entire coffee industry. Part 2 analyzes coffee consumption in the North, the social rituals and symbolic identities associated with coffee drinking, and the labour relations on the Northern side of the coffee chain. Part 3 assesses various "coffee battles" to readjust global inequality in the coffee chain and explorers, ultimately, their ability to do so against the weight of history and the firmly entrenched power relations that persist in the industry to this day.

PART I: COFFEE PRODUCTION AND POWER

Coffee beans have not always been global commodities with literally billions of kilograms produced and exported each year. Coffee only emerged as a significant world trade **commodity** alongside the development of the world system which first took root in the late fifteenth and early sixteenth century on the heels of European colonial expansion. Prior to this, coffee was predominately used in Abyssinia (now Ethiopia), the birthplace of coffee, where it was cultivated for a variety of purposes and was integral to Abyssinian culture. It was also traded by Arab merchants on a relatively minor scale for ceremonial or medicinal use and, beginning in the fifteenth century, it gained increasing popularity among intellectuals and merchants in the Islamic world as an alternative stimulant to alcohol, which was prohibited by Islamic law (Pendergrast 1999:3-13; Dicum and Luttinger 1999; Topik 1998).

It was European colonial expansion that set in motion the process by which coffee, as well as other tropical crops like sugar, tea, bananas, and cocoa, would become major global commodities. Western Europe's landed elite sought to resolve the growing "crisis of **feudalism**"—a social, economic, and political system where lords ruled over "serfs" who were compelled to pay tribute to the latter in the form of labour, military service, food, and other goods. Finding themselves squeezed between limited agricultural productivity, the high costs of constant warfare, and the rising tide of peasant resistance and rebellion, the feudal elite sought to resolve the crisis by expanding beyond European frontiers and seizing new resources: agricultural land, gold, silver, and slaves. In the process, highly concentrated states based on coalitions between political elites and the merchant classes were formed which would come to dominate the evolving world system. The Spanish and Portuguese Empires originally took the lead in this process in the fifteenth and sixteenth centuries, during which time they colonized most of Latin America, followed by the rise of the Dutch in the seventeenth century and the British and French Empires in the eighteenth and nineteenth centuries (Wolf 1997).

As the Spanish and Portuguese were primarily concerned with gold, silver, and sugar, it was not until the second half of the seventeenth century that coffee began to emerge as a significant traded **commodity** when the Dutch initiated coffee growing in the colonies of Ceylon, Java, Sumatra, Celebes, Timor, Bali, and other islands of the East Indies. To find labour to produce the coffee beans, the Dutch brutally enslaved the native populations of the conquered territories. The intense exploitation of slave labour allowed the Dutch to sell the coffee beans cheaply on European markets, which sparked increasing demand, which in turn led to expanded production and the growing use of slaves. In the eighteenth century, the rising demand for coffee attracted the interest of other colonial powers and provided further impetus to the Atlantic slave trade, which had originally been initiated by the Portuguese for the production of sugar in the Caribbean. From 1701 to 1810, the colonial powers of Europe, led by the British and the French, forcibly exported over six million slaves from Africa, over three and a half times the number exported during the previous two and a half centuries. In 1771, the tiny French colony of Saint Domingue (today Haiti) supplied half the world's coffee and had nearly 500,000 slaves (Pendergrast 1999; Dicum and Luttinger 1999; Topik 1998; Wolf 1997; Mintz 1985).

In the nineteenth century, the nature of the world coffee trade changed fundamentally. In Europe, the growth and expansion of industrial capitalism gave way to an unprecedented increase in demand for coffee and other tropical crops to meet the consumption needs of the growing working class. Coffee regions became increasingly integrated into the international capitalist economy and previous forms of agricultural production, which frequently involved largely self-sufficient economic units, big or small, were replaced by monoculture plantations dependent on the production of goods for sale on the international market (Fridell 2007:101-134; Wolf 1997). During this same time, many major coffee producing regions gained political independence from the colonial powers—much of Latin America, which emerged as the world's lead coffee-producing region in the nineteenth century, gained formal independence from Spain and Portugal in the 1820s. Neither the expansion of capitalism nor the emergence of national independence, however, altered the brutal working and living conditions of coffee workers. In Brazil, the growth of coffee production on giant plantations gave way to a historically unprecedented increase in slave imports from 1800 to 1850, by which time Brazil produced nearly half of the world's coffee supply and had a slave population of over 2 million people (Pendergrast 1999:19-25; Dicum and Luttinger 1999:31; Topik 1998). In Central America, where many indigenous populations were self-sufficient and did not need or desire waged labour on coffee plantations, the political and economic elite frequently compelled them into debt peonage or onerous tenant relations, stripped them of their communal lands, and forced them to work on coffee plantations under the barrel of a gun (McCreery 2003; Topik 1998; Weeks 1985:13-17).

While forced labour was encouraged by the spread of the coffee economy in Latin America, smallholder cultivation also emerged as a major source of coffee production. The widespread existence of communities with claims to the land prior to the coffee boom gave way to a mixture of smallholder farms and large-scale plantations, with the former often providing a major source of forced and waged labour for the latter (Samper 1994:60-71). Throughout the twentieth century, the pendulum swung in favour of waged labour, although under extremely exploitative conditions. The gross inequalities in most coffee regions between the wealthy coffee elite and the mass of poor smallholders and rural workers frequently gave way to resistance, rebellion, or calls for reform, which the political and economic elite often met with brutal suppression. Perhaps one of the most famous examples of this was Guatemala's radical reformist project from 1944-1954, the "Ten Years of Spring." When democratically-elected President Jacobo Arbenz attempted a land redistribution to address the countries grossly unequal land ownership—72 percent of the country's agricultural land was controlled by slightly more than two percent of the farms—he was overthrown by a CIA-backed coup in 1954 and replaced by an authoritarian regime that rolled back the redistribution and set the country down a path of decades of brutal dictatorship, underdevelopment, and civil war (Handy 1994; Weeks 1985:26-28).

Today, despite a changing political landscape in several major coffee countries which have carried out liberal democratic reforms since the 1990s, coffee workers continue to toil at the very bottom of a highly unequal global social class hierarchy. Workers must compete in highly saturated labour markets for seasonal jobs that pay near-starvation wages under generally deplorable conditions, especially women and indigenous people who are typically treated the worst of all. In Guatemala, for example, the government considers the minimum wage to cover only 40 percent of basic needs. Yet even this low wage is considered too high by the coffee elite: a survey of plantations in Guatemala in 2000 found that none of them paid the country's minimum wage and that a majority did not even pay half the minimum wage. Small-scale farmers are not much better off and must struggle in highly competitive and volatile markets in which they can barley make enough to survive. In many cases, they are forced into bankruptcy or seasonal migration in search of work (UNCTAD and IISD 2003; World Bank 2003; Oxfam International 2002; Dicum and Luttinger 1999). Journalist David Ransom accurately captures the life of indigenous coffee farmers along the Tambopata river valley in Peru:

> …if your coffee harvest brings you in less than it costs you, if you have labored for a year without reward, then you will have nothing to pay for treatment for you or your children when sickness strikes, as it invariably does in places such as this – yellow fever is rampant. As a result, there are no doctors or medicines. The prevailing certainty becomes that if you get sick you die – it's as simple as that. Whether or not you will be able to keep your children in school is doubtful. So there are not enough schools. The cumulative effect of all this continuing year after year, and of having to submit your life entirely to the whims of world coffee prices, is what powerless really means (Ransom 2001:46).

Moving up the social hierarchy from poor farmers and workers are local middlemen, who generally monopolise local transportation and credit and make their profits by buying beans low from small-scale farmers and selling at higher prices to coffee processors. The top of the chain in the South consists of powerful plantation owners, who generally own extensive transportation and processing infrastructure, employ a variety of low-paid workers, have considerable political influence over the state, and posses significant economies of scale which allow them to make profits even under price conditions that can be highly destructive for the livelihoods of smallholders (Fridell 2007:101-134; Talbot 2004:172-179).

Unequal relations of wealth and power do not stop in the South, but rather work their way up to the North through a complex network which sociologists and political economists have increasingly referred to as a **Global Value *Chain (GVC)***. A **GVC**, according to a pioneering work by Gary Gereffi and Miguel Korzeniewicz, consists of "a network of labour and production process whose end result is a finished commodity" (Bernstein and Campling 2006a, 2006b; Gibbon and Ponte 2005; Talbot 2004; Gereffi and Korzeniewicz 1994). Along the chain are a series of nodes where the original **commodity** is transformed, value is added, profits are generated, and states, corporations, and households battle for their share of the wealth. At the global level, the coffee value chain is dominated by transnational trading companies and roaster/distributors, some of whose history goes back over 100 years. These giant corporations exercise a loose and indirect form of governance over the coffee chain through their control of the supply of massive volumes of coffee beans and the "value-added" processes of distribution, packaging, marketing, and retailing. They use their oligopoly control of access to Northern markets to exercise significant power over the entire chain, artificially increasing the gap between the relatively low price for unprocessed green beans paid to Southern farmers and the higher prices paid for roasted coffee beans by consumers on retail markets in the North (Talbot 2004). The ultimate effect is a vastly unequal process whereby the wealth (what **GVC** analysts refer to as "rent") created through the commodification of the coffee bean is transferred out of the hands of the Southern farmers and workers who first produce the coffee beans and into the hands of powerful transnational traders and roaster/distributors.

PART II: COFFEE CONSUMPTION AND COMMODIFICATION

Like the production side of coffee, the consumption end has emerged out of a long historical process characterized by unequal wealth and social power. Although it might come as a surprise to the average Northern coffee drinker today, coffee has not always been central, or even minor to the Northern diet. It was not until the seventeenth century that coffee was introduced into European markets on a significant scale, and not until the eighteenth century that coffee consumption really began to take off among the masses. Driving this consumption was the emergence of a new industrial working class, initially in England where industrial capitalism first developed. The working class became the basis for a new mass consumer market in cheap everyday goods, such as clothing and food, and coffee was particularly well suited for the new factory setting. Under the new factory system, men, women and children were employed outside the home for long hours and had little time to prepare and eat meals. Coffee could be prepared quickly, would not spoil easily, provided calories, and could serve as a replacement for alcohol, something welcomed by capitalists concerned about a sober, controllable labour force. As a result, coffee consumption in Europe grew tenfold from 1739 to 1789 (Pendergrast 1999:16-17; Topik 1998; Mintz 1985:74-150).

Coffee consumption continued to grow in the nineteenth century and spread throughout Western Europe and North America, spurred on by increasingly lower coffee bean prices. As production ramped up, the international coffee market became swamped with coffee beans, which in turn dragged prices down. Workers in the North responded to these lower prices by increasing their consumption, especially in the United States which by the end of the century had emerged as the world's largest coffee consuming country. Per capita consumption of coffee in the United States increased from three pounds per year in 1830, to five and a half pounds in 1850, and eight pounds by 1859 (Pendergrast 1999:46-47).

Once established as a major **commodity**, coffee sales continued to expand throughout the twentieth century, becoming central to the diets of people in the North. This process took place amidst the general triumph of a mass consumer society as social life became increasingly dominated by the consumption of mass-produced commodities that were standardized and sold at chains stores that were part of vast international distribution networks targeting a mass consumer base with increasingly generic tastes (as opposed to tastes rooted in local ethnicity, class, or geography). Coffee was well suited to the faced-paced, sometimes chaotic lifestyle of modern capitalism, and could be purchased and drank quickly and easily while on the go. It became one of many mass commodities of "petty consumption," such as the donut, which was cheap and easy to handle and was convenient and affordable to people from a wide range of social classes (Penfold 2008).

The process through which coffee emerged as one of the major commodities of the mass consumer society was not driven merely by the free operations of the international market. To a significant degree, coffee's place at the heart of the Northern diet was driven by the efforts of large coffee companies that dominated Northern markets and used their economic power to expand coffee consumption by ensuring a steady supply of increasingly cheaper coffee beans and through the use of expensive marketing campaigns designed to persuade people to drink more and more coffee. The use of massive marketing campaigns to engineer consumer tastes toward increased consumption (many would argue over-consumption) gained growing importance among Northern corporations, especially those in the United States, throughout the twentieth century (Dawson 2003). The coffee industry was no exception. In 1949 General Foods spent a previously unheard of $2.5 million advertising Maxwell House coffee. Competitors responded with their own massive marketing campaigns, setting in motion a process which has culminated today with major coffee transnationals spending tens of millions of dollars each year on increasingly larger and larger marketing efforts (Pendergrast 1999:229-245).

Central to the power of Northern coffee companies has been their oligopolistic control over Northern markets. This has given them the power to manipulate prices on the global coffee market and has given them significant advantages over domestic competitors due to their economies of scale, massive marketing budgets and “brand power”, and access to new technologies and innovations (Oxfam International 2002). During the colonial period, the coffee trade was dominated by large colonial companies which were granted official trade monopolies by their imperialist home states in Europe. Beginning in the nineteenth century, these companies were broken up and replaced by private corporations who gained more and more control over the import, processing, and distribution of coffee, which became concentrated into fewer and fewer hands. Today, the five largest roasters in the global coffee industry are responsible for purchasing nearly half of the world’s supply of green coffee beans, with Kraft General Foods buying just over thirteen percent of the total, followed by Nestlé (thirteen percent), Sara Lee (ten percent), Procter & Gamble (four percent), and Tchibo (four percent) (see textbox 12.1)

(Talbot 2004:103-104; Oxfam International 2002; Pendergrast 1999:345-366; Dicum and Luttinger 1999).

[insert textbox 12.1]

Textbox 12.1: Corporate Concentration in the Coffee Industry

The tendency toward oligopoly in the coffee industry is perhaps best exemplified by the historical development of the major coffee roaster/distributors within the United States in the twentieth century. In 1915, there were over 3,500 roasters in the United States. As these companies grew, competition between them for market shares heated up and they adopted increasingly expensive national advertising strategies or cost cutting measures to enhance their competitiveness. Such pressures sparked a series of mergers, bankruptcies, and acquisitions. By 1945, the number of roasters in the United States had dropped to only 1,500. By the late 1950s, it had declined to 850, and the five biggest roasters—General Foods, Standard Brands, Folger's, Hills Brothers, and A&P—accounted for well over 40 percent of the US coffee market. In 1965, there remained only 240 roasters in the United States and of them the top eight accounted for 75 percent of all coffee sales (Pendergrast 1999:124-262; Dicum and Luttinger 1999). By the end of the 1970s, states sociologist John Talbot, "any new coffee manufacturer who wanted to break into one of the major consuming markets would need deep pockets, and a national strategy to challenge the dominant companies" (Talbot 2004:52).

These patterns have persisted until the present day as major coffee roasters have become increasingly transnational and competition between them has moved from the national to the international level. During the 1980s, the Swiss giant Nestlé made a bold move to increase its market share in North America, buying up several US coffee companies, along with the major Canadian roaster, Goodhost. In 1985, the giant tobacco TNC, Philip Morris, seeking to diversify into the agro-food industry, bought General Foods for $5.8 billion, which it later merged with Kraft Foods in 1988. Not to be outdone, in 1999 the Dutch corporation Sara Lee bought Chock Full o' Nuts, the fourth largest coffee company in the United States, as well as several other US coffee companies. By the start of the new millennium, just a handful of roasters dominated the global coffee industry, with the four largest—Kraft General Foods, Nestlé, Sara Lee, and Procter & Gamble—each having coffee brands worth $1 billion or more in annual sales (Talbot 2004:103-104; Oxfam International 2002; Pendergrast 1999:345-366; Dicum and Luttinger 1999).

[end of textbox 12.1]

Given their enormous size, these coffee giants possess significant political, economic, and cultural power which they have used to make coffee the common drink that it is today. At the same time, there are intrinsic qualities to the coffee bean which makes it, in its own right, very desirable to consumers. The greatest of these qualities is the fact that coffee is a drug. Coffee contains caffeine which is a stimulant that acts on the brain and temporarily provides energy and, most famously, helps to keep people awake. Consequently, coffee has generally been afforded a more positive place in society than other stimulants, such as alcohol, which can trigger aggressive, idle, or anti-social behaviour. Yet, coffee consumption does has several undesirable effects: caffeine can make people irritable, upset their digestive systems, and cause dehydration, and withdrawal from regular consumption can come with headaches, lack of awareness, and short-temperedness (Pendergrast 1999:412-415; Dicum and Luttinger 1999:118-121). Moreover, coffee contains almost no nutritional value, a fact galling not only to health experts, but to environmentalists given the massive resources expended on the growing, processing and transport of coffee beans on a daily basis.

Coffee is a socially acceptable and legal drug, and the people who consume it on a regular basis are not considered drug addicts. This is in part owing to the fact that coffee's effects are generally milder than many harder drugs, but it is also due to the efforts of coffee promoters to normalize caffeine addiction and coffee rituals and integrate them into our everyday practices. There are many socially-acceptable everyday behaviours associated with coffee consumption, perhaps the most famous being the "coffee break," first introduced and promoted by the Pan American Coffee Bureau in 1952 (Pendergrast 1999:242). The widespread acceptability of coffee compared to other stimulants is apparent if one tries to imagine colleagues taking a fifteen minute "beer break" in the middle of the working day. Yet, this acceptability cannot be assumed as "natural." Rather, it is the outcome of a long historical process whose outcome was never guaranteed. Despite coffee's addictive qualities, the coffee industry has had to expend considerable resources waging marketing battles to ensure coffee's pre-eminence as the ultimate tropical crop. These battles were not always won. In the 1960s, the Pan American Coffee Bureau launched another campaign, this time to win over the youth market in North America, targeting adolescent "Mugmates" and asking them to decorate their coffee mugs. The campaign failed, defeated by more expensive and sophisticated advertising campaigns from the rising stars of the caffeinated beverage industry, Coke and Pepsi, who together in 1965 spent twice as much money on advertising as the coffee industry did. Since that time, it has generally been accepted as the norm in North America for youth and children to drink soft drinks and for adults to drink coffee, even while both contain significant quantities of caffeine (Pendergrast 1999:280).

While perhaps missing the boat with the 1960s youth campaign, the major players in the coffee industry have more often than not known the right buttons to push to appeal to consumers' beliefs, values, and insecurities and promote increased coffee consumption. Consumer loyalties and brand identities have been constructed around powerful symbols of gender, class, and **nationalism**, often reflecting the complex nature of the **politics of representation** (discussed in Chapters 1-3). The rapid growth of coffee consumption in the twentieth century in North America, for example, occurred in part due to massive advertising campaigns which contained highly gendered messages about the "good wife" who knew how to serve a "good cup of coffee." One particularly telling and cruel cartoon strip advertisement for Chase & Sanborn coffee in 1934 is described vividly by journalist Mark Pendergrast:

> "Here's your coffee, dear," a wife says to her scowling businessman husband over the breakfast table. "I thought we were too old to play mud pies," he growls. Flinging the hot coffee at her, he yells, "What did you put in it this time? Bricks or gunpowder? See how you like it!" She cries, "Oh, you brute! I'm all black and blue." In the final two frames she wears a catcher's mask and holds a shield while offering him a cup of Chase & Sanborn…. Of course the husband loves it. "Take off the mask, darling…. This is too fresh and good to waste a drop" (Pendergrast 1999:202).

Aside from the broader story that this ad tells about violence and unequal gender relations in the 1930s, to the housewife at the time it conveyed the message that if you failed at providing a good cup of coffee, you failed at being a good wife and were a deficient woman; quite a bit of social power to bring to bear on the average housewife to compel her to buy a particular brand of coffee!

[insert photo 12.2]

Class identities have also been drawn into the marketing fray by the coffee industry. Large, mainstream coffee companies, like Tim Horton's, Coffee Time, and Dunkin' Donuts have over time developed their brand images as signifiers of blue collar, working class, and suburban identity. To blue collar workers, coffee chain shops have emerged as places where people from all social classes can meet and enjoy the act of consumption, serving as a cheap form of social levelling. In Canada, regular customers often express their devotion to the larger chain stores through what historian Steve Penfold (2008: 165-189) has termed "donut populism," where the coffee store is imagined as a place for simple, hard-working people, as opposed to more "high brow" establishments for upper class snobs. Suburbanites, in contrast, frequently from middle or upper class backgrounds, have often expressed their devotion to mainstream chain stores in opposition to the culture of big urban centers and demonstrated "a sense of ironic pride in the lack of cultural alternatives relative to other cities" (Penfold 2008: 171). In both instances, the major coffee chains have been quick to incorporate these powerful signifiers into their marketing strategies and build on them.

Speciality coffee roasters, whether small ones or large ones, have tended to promote their brand images around white collar, upwardly-mobile, urban identities (see

McLaren 2001). To a degree, this is a direct reflection of socio-economic status: middle and upper classes consumers tend to be targeted by speciality coffee companies because they have the income required to pay for more expensive speciality coffee. In 2001, the wealthiest 16.2 percent of Canadian households spent 56 percent more money on coffee per person and were 46 percent more likely to shop at food specialty stores than the poorest 43.2 percent of Canadian households (Statistics Canada 2003). Having more money, of course, does not in itself explain why people in higher income groups would be willing to spend more on specialty coffee. As sociologist Thorstein Veblen, writing at the turn of the twentieth century, effectively argued, modern consumption patterns stem from complex social customs that have developed alongside the emergence of industrial society. These customs have increasingly assigned the possession of private property as the single greatest symbol of honour and success. Under these conditions, argued Veblen, the easiest way for one to demonstrate their "pecuniary strength" in relation to others is through "**conspicuous consumption**"—explicitly wasteful and indulgent consumption. While people from all classes generally struggle to demonstrate some level of **conspicuous consumption** to stave off feelings of inadequacy, ultimately those who have the greatest wealth are in the best situation to do so (Veblen 1953:36-40,60-80).[1] Thus, when middle or upper class consumers purchase specialty coffee in greater quantities than poorer consumers, they are not doing so merely as a result of taste preferences—few, one would think, could effectively argue that they are coffee "experts"—but as a demonstration of their "pecuniary ability" and class identity.

Nationalism (a modern ideology centered on the shared values and myths of the community of the nation-state) is frequently interwoven with gender and class identity in promoting coffee consumption. The ultimate symbol of this in Canada is Tim Horton's, which has long been a popular signifier of patriotic **nationalism**. The mythology around the corporation is built into its very name; taken from its founder, Tim Horton, a legendary, all-star professional hockey player born in Northern Ontario, portrayed as being a large, physical player, but a "gentleman". Homey, manly, folksy, nostalgic notions around hockey in Canada have been appropriated by Tim Horton's and combined with the donut, another powerful Canadian tradition—Canadians consume more donuts per capita than any other nation on earth (Tim Horton's itself is placing increasing emphasis these days on healthier foods, like sandwiches and soup, but the imagery of the donut still remains central). Through expensive marketing campaigns, Tim Horton's has successfully nurtured and promoted these images, appealing to Canadian **nationalism** and to a sense of community and tradition in a country that typically has experienced what cultural sociologist Patricia Cormack (2008:380) characterizes as an awkward and empty "state-sanctioned culture and identity."

The current popularity of Tim Horton's as a symbol of Canadian **nationalism** might give the impression that this has long been the case. In fact, Penfold (2008) argues that donut chain stores did not emerge in Canada until the 1960s (modelled after donut chains in the United States) and did not begin to attain popular currency as a cornerstone of Canadian identity until the 1980s, when the media began to make reference to donut shops as the Canadian equivalent of the English pub. Even then, the generic donut shop was taken as a symbol of Canadian identity, not exclusively Tim Horton's. According to Penfold, the growing popularity of the donut in the 1980s and 1990s took place during a time when the Canadian national identity was highly fragmented after a series of constitutional conflicts and regional disputes. Due to the lack of a unified Canadian identity, the ubiquitous donut and its mass production and distribution emerged as an "ironic" symbol of a "Canadian mass culture experience" that was imagined as distinct from American ones. Eventually recognizing this process of nationalist identification, in the late 1990s Tim Horton's moved to take full advantage of it with a massive advertising campaign costing tens of millions of dollars, one which successfully moved the corporation to pride of place among the major symbols of Canadian **nationalism** (Penfold 2008: 165-189).

So successful have the Tim Horton's commercials been over the years that the average Canadian can be forgiven for not knowing that this "Canadian institution" is a massive fast food chain with more than 3000 coffee shops (even more than McDonald's in Canada), has revenues of over $2 billion per year, and has been owned by the US corporation Wendy's since 1995 (Glor 2009; Cormack 2008). This, combined with the fact that Tim Horton's cheaper coffee beans have been exported from far-away places where they are grown by low paid coffee workers and small-farmers, has not been enough, states Penfold (2008: 176), to "put a dent in the home-grown donut rhetoric." One might also forget that, despite the company's friendly corporate image, the vast majority of Tim Horton's workers in the North are low-paid and non-unionized workers, which is common throughout the industry (Dagg, interview 2006).

Northern companies have long relied on low-paid, urban workers to process, roast, package, distribute, and sell coffee as a final product. In the South, coffee processing facilities owned by Northern-based transnational companies have employed urban workers to clean, de-shell, and classify green beans prior to export. These workers, both historically and today, have generally worked under deplorable conditions for very low wages. In the North, coffee workers have been employed to "add value" to the final product through the roasting, packaging, marketing, and distribution processes. Historically, coffee companies have utilized a variety of methods to keep the wages paid to workers low, such as drawing extensively on piecework and seasonal employment, where wages and benefits are typically lower than those of permanent workers. Women have particularly been targeted by coffee companies, as patriarchal norms, especially assumptions about women's wages being merely "subsidiary" to male "breadwinner" wages, have made women especially vulnerable to exploitation—at the turn of the twentieth century, women coffee workers employed at a Hills Brothers factory in the United States were paid less than half of their male counterparts, worked ten hours a day for six days a week, and were given only one week of vacation per year (Fowler-Salamini 2002; Pendergrast 1999: 138-142). These exploitative working conditions were common throughout the coffee industry at the time.

Much has changed in the North since the early twentieth century and general working conditions have improved considerably. Yet, within this context, the coffee industry today continues to compete among those sectors with the lowest wages and least worker benefits. The coffee industry draws much of its labour force from growing "flexible" labour markets, which are based on "precarious" jobs that are low paying with limited health and pension benefits. These jobs tend to be primarily concentrated among youth and "high risk" groups (such as single mothers, recent immigrants, Aboriginal Canadians, persons with disabilities, and adults with limited education). They also tend to have a significant risk of unemployment—the average annual employee turnover rate for the coffee service sector is around 200 percent, one of the highest of any sector of the economy (Jackson 2003; Pendergrast 2002). Major coffee companies have not just taken advantage of these labour market conditions, but they have actively worked to create them by lobbying Northern governments to lower real minimum wages, employment and welfare benefits, and corporate taxes, and by aggressively fighting against unionization and workers' rights to collective bargaining.[2] This would generally be the case for most of the major players in the global coffee industry; giant coffee companies spend tens of millions of dollars per year to promote the coffee life-style and appeal to consumers on the basis of symbolic loyalties around gender, class, and **nationalism**, while obscuring the labour conditions under which coffee beans are produced, traded, processed, and sold in both the North and South.

PART III: COFFEE BATTLES

Just as the global coffee industry has been built around a complex web of unequal social relationships that are reproduced on a daily basis through the actions of millions of participants, so too has resistance to the dominant power relations within the coffee industry formed a central part of the global coffee chain's history and everyday reproduction. Battles against inequality and injustice within the coffee industry has taken many forms, some more effective than others, and has been driven by a variety of actors, including Southern governments, Northern-based non-governmental organizations, and an array of civil society groups in both the South and the North. The manifold forms of these battles cannot be easily summarized as there are so many countries involved in the coffee industry and so many particular national histories. Consequently, this section will summarize only three cases of resistance, chosen for their international significance and relevance to the state of the world's coffee farmers and workers today: the International Coffee Agreement (ICA); the **fair trade** network; and the Ethiopian trademarking initiative.

The ICA was developed in the post-war era by Southern coffee-producing and Northern coffee-consuming countries in the attempt to combat the "**commodity problem**." The **commodity problem** involves not just low prices for coffee beans (measured against the relatively higher prices for industrial and high-technology goods) but it also entails price volatility and unpredictability (Lines 2008; Green 2005). Most major tropical commodities have been vulnerable to the **commodity problem**, and the coffee market has been particularly susceptible due to the specific nature of coffee cultivation. Unlike many temporal crops, such as wheat and corn, coffee beans are grown on perennial plants that take several years to mature and require significant amounts of fixed capital. The result has been exaggerated boom and bust cycles that have plagued the coffee industry. During a boom, prices are high and coffee farmers respond by planting more trees. As it takes several years for the new trees to mature and have an impact on the international market, farmers tend to over-plant in response to temporarily high demand. When supply outstrips demand, the bust comes and farmers are left with too many coffee trees, and they are unable to easily switch to other commodities due to the relatively large amounts of fixed capital they have invested in coffee (Talbot 2004:35).

The boom and bust cycle reached crisis proportions in the second half of the nineteenth century as coffee farmers, both large and small, moved increasingly toward monocrop production and greater dependency on the international market. In 1881, the New York Coffee Exchange was incorporated in an attempt to provide some assurance against risky and unpredictable price swings. On the exchange, a buyer contracts with a seller to purchase a certain amount of coffee at a certain time in the future at a guaranteed price. The Exchange arbitrates disputes and polices trade abuses. It was argued that "real coffee men" would use the contracts as *hedges* against price changes, while speculators would provide *liquidity*. However, rather than providing a degree of price stability, the Exchange has merely escalated the instability of the coffee market as speculators have sought to profit by predicting or manipulating prices on the Exchange (Talbot 2004; Pendergrast 1999:66-67).

Price instability continued to plague the global coffee industry throughout the first half of the twentieth century and, despite pleas from major coffee-producing countries, Northern countries refused to participate in international agreements to address the problem due to fears that higher prices would decrease the purchasing power of Northern workers. It was not until 1963 that the ICA was agreed to after Southern countries brought significant pressure to bear on their Northern counterparts. Southern governments feared declining coffee beans prices which led to waning tariff revenues and sparked despair and discontent among millions of small scale farmers, which in turn caused social unrest and threatened the legitimacy of the state. In the North, in particular the United States, the decision to ratify the ICA was driven by Cold War fears that plummeting prices would drive Southern states into the Communist camp (Talbot 2004:16-58). Amidst these social and political pressures, the ICA was renewed several times until 1989 when a group of participants, led by the United States, withdrew their support as part of the movement toward **free trade** reforms, which include reducing or eliminating trade barriers and financial controls, devaluing local currencies to make exports more competitive, and severe cuts to public spending and service provision.

The ICA was a quota system signed by all major coffee producing and consuming countries designed to stabilise and increase coffee prices by holding a certain amount of coffee beans off the global market to avoid oversupply. Export quotas were assigned to all coffee producing countries on the basis of their historical output, with all beans produced in excess of the quotas held in storage until such time as they could be released into the market without sparking oversupply and declining prices. Talbot (2004) has calculated that the ICA resulted in higher coffee bean prices which translated into a significantly greater retention of coffee income in the South. At the same time, the agreement was plagued by many difficulties, including the inability to deal with the structural causes of oversupply, the failure to do little more than dampen the swings of the coffee cycle which continued to be unpredictable and chaotic, and the persistence of constant conflict among signatory nations over the quota system. Moreover, the ICA proved to have a minimal effect on how the extra wealth retained in the South was distributed. Countries that pursued social reformist projects that distributed greater resources to small farmers and workers, such as Costa Rica, attained significantly better development gains than countries with highly unequal distributions of land and resources, such as El Salvador, Guatemala, and Brazil (Fridell 2007:135-172; Dicum and Luttinger 1999:86-95). Yet, as Talbot has noted, overall ICA-supported prices provided varying degrees of “trickle down” improvements to the living standards of broad sectors in the South. In contrast, the two decades since the end of the ICA have been characterized by a widely documented crisis in the Southern coffee industry, entailing extremely low prices, mass layoffs, bankruptcy, migration, and hunger for tens of thousands of poor coffee farmers and workers worldwide (Fridell 2007; Jaffee 2007; Talbot 2004; Oxfam International 2002). In terms of meeting the basic needs of coffee producers, the ICA would appear to have been a more successful model than the unregulated, **free trade** coffee market that has dominated since its demise.

Around the same time that the ICA was on the decline in the late 1980s, new, market-driven alternatives emerged that have sought to use consumer power to attain the integration of poor workers and farmers into global markets under better conditions. One such movement has been the **fair trade** network, which connects small farmers, workers, and craftspeople in the South with organizations and consumers in the North through a system of "**fair trade**" rules and principles: democratic organisation (of cooperatives or unions), no exploitation of child labour, environmental sustainability, a minimum guaranteed price, and social premiums paid to producer communities to build community infrastructure.

Research conducted on **fair trade** groups in the South suggests that **fair trade** has been able to provide important social and economic benefits to certified producers, although with important qualifications (Jaffee 2007; Raynolds, Murray, and Wilkinson 2007; Hudson and Hudson 2003). This can been seen in the case of the Union of Indigenous Communities of the Isthmus Region (UCIRI), one of the most successful **fair trade** coffee cooperatives in the world, located in Oaxaca, Mexico (Fridell 2007). Through their participation in **fair trade**, UCIRI members have attained higher incomes and significantly better access to social services through cooperative projects in health care, education, and training. UCIRI has also constructed its own economic infrastructure, such as coffee processing and transportation facilities, and provided its members with enhanced access to credit, technology, and marketing skills. Yet, its developmental project has not been without its limitations. In one instance, an attempt to diversify UCIRI's efforts into producing clothing for local markets met with bankruptcy due in part to the high costs of providing "fair" social security provisions to employees and tough competition from low-wage textile factories in China. In broader terms, despite the cooperative's success in combating extreme misery, UCIRI members still report the persistence of general poverty. **Fair trade** prices are inadequately low as they must remain somewhat competitive with lower conventional coffee bean prices dragged down by a saturated global market (Fridell 2007).

In broader developmental terms, some critics have expressed concern that **fair trade** promotes continued dependence on tropical commodities and vulnerability to the **commodity problem**. In response, defendants argue that most small producers in the South do not have viable alternatives to tropical **commodity** production and that those that do still require the support of **fair trade** standards to assist them in their transition to other economic activities (LeClair 2002). Other critics have pointed out the limited reach of **fair trade** due to its dependence on relatively small niche markets in the North. For example, during the peak years of the ICA, its quota system was able to provide higher coffee bean prices (frequently much higher than what today is considered the "**fair trade**" price) to all of the world's 25 million coffee farmer families worldwide. In contrast, the **fair trade** network currently reaches over 670,000 certified coffee producers, which is an impressive number in its own right, but represents only 3 percent of the world's total coffee farmer families (Fridell 2007, 2006).

In recent years, concerns have also been raised that much of the growth of **fair trade** sales is increasingly being driven by the participation of conventional corporations and international institutions. Critics charge that these new partners, unlike the founding **fair trade** organizations that have been morally and politically devoted to the principles of **fair trade**, are using token support for **fair trade** to mask their broader devotion to a **free trade** agenda (Reed 2008; Fridell, Hudson, and Hudson 2008; Fridell 2007; Jaffee 2007; Raynolds, Murray, and Wilkinson 2007; Fridell 2004). Thus, the World Bank has given increasing support to **fair trade**—including serving **fair trade** tea and coffee to its employees at its headquarters in Washington, DC—while continuing to push ahead in international affairs with the very same ***free trade*** agenda that the **fair trade** network was originally created to counteract—whereas **free trade** is about reducing all forms of market regulation, the **fair trade** agenda has historically been about promoting a degree of market regulation (of prices and labour standards) to meet the needs of poor farmers and workers in the South. Similarly, a corporation like Starbucks can gain positive publicity for selling 6 percent of its coffee beans **fair trade** certified, even while 94 percent of its Southern suppliers remain without **fair trade** standards and the vast majority of its Northern workers are non-unionized and relatively low-paid. This is in sharp contrast to more traditional **fair trade** organizations, such as Planet Bean in Guelph, Ontario. Planet Bean is a worker-owned co-operative coffee roaster that sells 100 percent of its beans certified **fair trade**, pays its suppliers above the **fair trade** minimum, and is explicitly devoted to promoting fair labour rights in both the South and the North and to educating consumers about the inequalities in the global coffee industry (Fridell 2007:225-275). Yet, organizations like Planet Bean are becoming increasingly crowded out by conventional corporations. **Fair trade** author and activist Daniel Jaffee (2007:266) has expressed his concern that growing corporate involvement could ultimately limit the vision and impact of **fair trade** which he fears “might indeed become irrelevant in the face of the larger effects of corporate-led economic globalization.”

[insert photo 12.3]

In recent years, a new initiative has emerged designed to counter the inequalities in the global coffee industry which may hold the promise of important future benefits for the world’s coffee families. In 2005, the Ethiopian government began a campaign to trademark its most renowned coffee beans, Sidamo, Harar and Yirgacheffe. As one of the birthplaces of coffee, the government claimed that Ethiopia and its farmers should have intellectual property rights over the use of the specialty coffee brands and applied for the trademark registrations in the United States and other major coffee nations. Along with these formal legal efforts, the Ethiopian government also sought negotiations with major coffee companies to sign agreements acknowledging the right of Ethiopians to control these brands. Ethiopia is one of the poorest countries in the world and with nearly 15 million coffee farmers—almost one-fifth of the total population—is highly dependent on the income gained through coffee. Despite accounting for only 2 percent of world coffee exports, giving it little economic or political power in the global coffee industry, Ethiopia depends on coffee income for two-thirds of its total export earnings. An Ethiopian coffee worker earns as little as 50 cents for a full day of work, producing beans that are then processed, transported, and sold for upwards of $26 per kilogram on markets in the North (Fridell 2007:128; Oxfam Australia 2007; Foek 2007).

The trademarking campaign immediately met with fierce resistance in the United States, the world's largest national coffee market. The U.S. National Coffee Association (NCA) brought significant lobbying pressure to bear on the Patent and Trademark Office to reject or delay approval of the patent. Many industry critics pointed the finger at Starbucks, which was particularly threatened by the patent initiative due to its reliance on higher quality specialty coffee beans, for pressuring the NCA to adopt such a strong stance. Starbucks also rejected initial attempts by Ethiopian officials to begin direct negotiations with the company for an acceptable agreement and launched a media counter-offensive criticizing the patent project. Seeing the Ethiopian government's efforts being stymied, Oxfam began an international campaign in 2006 to pressure Starbucks and other coffee companies to engage with Ethiopia directly and to support the trademarking initiative. After Oxfam was able to mobilize over 96,000 people to contact Starbucks through e-mails, faxes, phone calls, postcards, and in-store visits, the corporation, fearing damage to its highly coveted brand image, gave in and in 2007 signed a distribution, marketing and licensing agreement that brought an end to the trademark dispute. Starbucks agreed that it would use and promote Ethiopian coffee beans in accordance with agreed terms and conditions negotiated with the Ethiopian government. Since then, the government has successfully registered it trademarks in the United States, as well as Canada, the European Union, and Japan. Experts estimate that these trademarks will result a greater share of the retail price and an extra $88 million a year for Ethiopian farmers, which represents a significant increase in export earnings for the nation. These gains in the South, despite the fierce resistance of major coffee corporations, will have relatively little impact on coffee prices in the North—coffee historian Antony Wild estimates that even if Ethiopian farmers were to receive 1,000 per cent more for their coffee beans, the price in Northern coffee shop would only rise 5 percent (Oxfam Australia 2007; Foek 2007).

The Ethiopian trademarking initiative reveals the importance of the symbolic value of coffee and who controls it. In trademarking its coffee beans, Ethiopia is not just defending its right to control a part of its cultural heritage, but it is also re-adjusting power relations within the global coffee industry. Along the coffee value chain, power is distributed not solely on the basis of market share and oligopolistic dominance of roasting and distributing, however essential they are, but it is also distributed on the basis of the ability to define the coffee identity, norms, reference values, and quality standards— "the total coffee drinking experience."[3] Sociologists Benoit Daviron and Stefano Ponte (2005) have recently drawn attention to the fact that market power in the coffee industry comes not just from capturing the material value of the coffee beans, but their symbolic and "in-person" service qualities as well. In the case of the trademarking campaign, the battle over controlling the **symbolic attributes** (non-material, subjective elements embedded in a **commodity's** reputation) of Ethiopian beans took the form of a struggle over quality and geographical indicators and who had the right to the extra value that these attributes can garner on Northern markets. Victory in this battle over symbolic rights brings with it very material outcomes to the tune of millions of dollars a year for Ethiopian coffee farmers. Daviron and Ponte believe that future struggles to capture more of the symbolic, non-material attributes of coffee are essential to promoting development in the South and assert that "As long as coffee farmers and their organizations do not control at least parts of this 'immaterial' production, they will be confined to the '**commodity problem**'" (Daviron and Ponte 2005:xvii).

CONCLUSION: COFFEE BUSINESS-AS-USUAL?

The forms of resistance to exploitation and inequality in the coffee industry discussed above have made significant impacts on the exercise of power and domination along the **global value chain**. Yet, many argue that the same overarching power structures, while readjusted, have remained largely intact. Coffee's long and painful history of slavery, **colonialism**, imperialism, and capitalist expansion, has embedded the **commodity** in a complex set of economic, political, social, and cultural relationships that are not easily altered. Central to this is an international division of labor where, in its most basic sense, poor farmers and workers in the South produce the coffee; relatively privileged Northerners consume it; and powerful coffee executives and plantation owners grab the lion's share of the wealth. Massive inequalities continue to be the defining feature of the global coffee industry. At the bottom of the coffee chain, the life expectancy at birth for the average Ethiopian is a mere 53 years, compared to 80 years at the top of the chain in a rich country like Canada. In 2003, the total pay of Starbucks CEO Orin Smith was over $38 million dollars, equivalent to the *combined* annual income of well over 36,000 Ethiopian workers.[4]

These inequalities are reproduced and reinforced on a constant basis through the everyday consumption and production practices of the global coffee industry, a fact which remains largely obscured to the average coffee drinker, concealed behind the veil of **commodity fetishism**. The historical and political processes through which coffee became a **commodity** in the first place, and the brutal past and present behind these processes, is clouded by an array of taken-for-granted assumptions about the coffee lifestyle, its various social rituals, and the common Northern presumption that global economic and social inequalities are the outcome of a natural hierarchy. This hierarchy, however, is not "natural" but rather stems from a complex network of human social relations, one that is reproduced by people and can, ultimately, be changed by people. To do this, however, the basic individual and collective assumptions and behaviours around coffee which are so central to many people's everyday lives must first be examined and interrogated. The further development of a sociology of coffee is central to this task. The power relations embedded in a cup of coffee must be brought to the forefront—the center must be unpacked—so that citizens in both the North and the South can make informed decisions about their seemingly innocent coffee practices. This is, admittedly, a lot to swallow over a morning cup of joe. Yet, until knowledge about the uneven power relations in the coffee industry become commonplace, the coffee industry would appear to be heading, with some modifications, in the direction of business as usual.

STUDY QUESTIONS

1. What does the term "**commodity fetishism**" mean? How can it be applied to coffee?

2. What were some of the dominant trends in the history of coffee in the South? What relevance does this history have to understanding the lives of coffee producers today?

3. In what ways have consumer loyalties and brand identities in the coffee industry been constructed around symbols of gender, class, and **nationalism**? Was coffee's rise to becoming one of the world's most popular drinks inevitable?

4. If you were having a cup of coffee with Marx or Foucault, what would you talk about when you talk about coffee?

SAMPLE EXERCISES

1. Ask your family and friends where coffee comes from and how it is produced. Do they know what regions of the world are the major coffee producing ones and how many of the world's farmers are devoted to coffee? Do they know, approximately, how much they get paid? Ask them for their general impression on why they think coffee farmers are so poor compared to coffee consumers. Do any of their opinions confirm or call into question the ideas laid out in this chapter?

2. Search for the **fair trade** coffee at a nearby supermarket chain and look for the **fair trade** coffee brands they have in stock. Look specifically for coffee products that are marked with the TransFair symbol. How many of the coffee brands on the shelf are **fair trade**? How many are corporate products and how many are distributed by small businesses, not-for-profits organizations, or cooperatives? Where are the **fair trade** products located: with the conventional coffee or in a special organic or **fair trade** section? On the middle shelves, or the bottom and top ones? (Did you know that

corporations pay money to supermarket chains to attain premium shelf space in their stores?)

3. Visit different cafés in your area that have different forms of ownership or business visions, such as a locally-owned café, a corporate chain store targeting upscale and urban clientele (Starbucks, Second Cup), and a corporate chain store targeting blue collar and suburban clientele (Tim Hortons, Dunkin' Donuts, Coffee Time). What sort of imagery and symbolism exist in the different stores? Does the "feel" of the store match with your expectations after having read this chapter?

NOTES

[1] While Thorstein Veblen's concept of "conspicuous consumption" is evoked in this passage to assess the consumer culture of the masses, Michael Dawson has convingly argued that many have emphasized this perspective to the neglect of Veblen's analysis of class coercion. Of greater concern to Velben than the "delusions of the masses" was how consumer habits were engineered by corporate marketing projects in the interests of the capitalist class (Dawson 2003:11-15).

[2] Philip Morris (owner of Kraft General Foods, the largest coffee company in the world) has the dubious distinction of having been on *Multinational Monitor's* "Ten Worst Corporations" list in 1988, 1994, 1997, and 2001. See http://www.multinationalmonitor.org. For an assessment of the poor ethical and labour records of Procter & Gamble and Nestlé, see the *Corporate Watch* website at http://www.corporatewatch.org.uk, and for Sara Lee see the *Responsible Shopper* website

at http://www.responsibleshopper.org/basic.cfm?cusip=803111. For a discussion of Starbucks and its anti-unionization efforts, see Fridell (2007: 225-275)

[3] Stefano Ponte quoted in Foek (2007). See also Daviron and Ponte (2005).

[4] The total pay, including bonus and exercised stock options, of Starbucks' CEO Orin Smith in 2003 was $38,772,712 (Fridell 2007:253). The GDP per capita (PPP US$) in Ethiopia in 2005 was $1,055. That same year, the estimated earned income for females in Ethiopia (in PPP US$) was $796, and for males it was $1,316 (UNDP 2008).

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RELEVANT INTERNET SOURCES

Fairtrade Labelling Organizations International:
www.fairtrade.net

Focus on the Global South:
www.focusweb.org

Global Exchange:
www.globalexchange.org

International Coffee Organization
www.ico.org

Make Trade Fair (Oxfam Campaign):
www.maketradefair.com

Planet Bean
www.planetbeancoffee.com

TransFair Canada
www.transfair.ca

TransFair USA
www.transfairusa.org

United Nations Conference on Trade and Development:
www.unctad.org

Union of Indigenous Communities of the Isthmus Region
www.uciri.org