



## Case report

## The case of Café Femenino: The limitations of gender-conscious Fair Trade

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## ABSTRACT

Fair Trade (FT) aims to advance women's economic and social development by addressing gender inequality – as evidenced by the unequal distribution of the material and non-material benefits of FT. These efforts have led to the formation of women-only FT cooperatives such as Café Femenino in Peru. Café Femenino's novel development approach is its requirement of female land ownership and female-only participation in local (cooperative-level) democratic decision-making. Yet, such an approach that privileges the “local” keeps women vulnerable, reducing their development potential. Identifying this central weakness in FT can inform development practice to rethink its reliance on the “local” and consider strategies to consolidate extra-local governance networks.

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Since its founding in the late 1980s, Fair Trade's (FT) central development mission is to address unfair trade relations between North and South by providing an alternative ethical market for marginalized democratically-organized smallholder producers (McMurtry, 2009). But more recently, other pressing development issues have come to the attention of FT organizations and its supporters. To more fully address the complexity of development issues, FT has been forced to shift its focus on the impact of unequal external trade relations on cooperatives and increasing profits to a deeper gaze into the socio-cultural inequality limiting development within cooperatives. As a result of this shift in focus, widespread problems of gender inequality within cooperatives have been identified as thwarting the advancement of women's economic development, and that of the cooperative at large (McMurtry, 2009). Specifically, it is the unequal distribution of the material and non-material benefits of FT resulting from gender inequality that has had negative impacts for cooperative development prospects (Lyon, Bezaury, & Mutersbaugh, 2010). Despite increased profits, FT's failure to actively promote gender empowerment has meant that FT cooperatives find themselves unable to reap the economic benefits of FT.

Although attempts to address the unequal distribution of the benefits of Fair Trade have been weak, a few successful cases exist. One case is exemplified by the formation of women-only Fair Trade coffee cooperatives in 2004, such as Café Femenino in Peru. Unlike mixed-gender, conventional FT cooperatives, Café Femenino's

innovative and singular approach is to place a premium on female land ownership and female democratic participation. The case of Café Femenino is worth highlighting as an important and novel development initiative for it claims to uniquely position women at the center of democratic governance processes through female land ownership, and thereby, provide them with the social and political space to alter the distribution of economic benefits toward women (Allison, 2006; Hoagland, 2006; McMurtry, 2009). In this way, Café Femenino claims to have found an effective way to address gender inequality and eradicate the financial and social inequality hindering women's development within mixed-gender cooperatives.

Café Femenino in Peru is a cooperative managed exclusively by women, dedicated to the production of Fair Trade coffee. Located in the Andean foothills of Agua Azul in the region of San Martín, more than 400 indigenous and mestizo women came together to found Café Femenino with the help of OPTCO in Vancouver, Washington and Peruvian cooperatives CECANOR, PROASSA, CICAP, and Cordaid in 2004. Their coffee is sold in the United States by Grounds for Change and now over 80 roasters in the North also sell their organic coffee (Organic Products Trading Company, n.d.). Yet, it is crucial to point out the context in which Café Femenino is intended to operate; namely, the dismal social and economic conditions women in this region of Peru have had to endure. For example, girls in Agua Azul are married between 12 and 16 years of age to ease the economic burden on their families. In spite of this, they have a 40–70% risk of sexual assault. The region's average per capita income is \$1300 per year, but the amount coffee producers receive is much lower. Women make up the majority of coffee producers, approximately 60%, and work 10–12 hours a day in the coffee fields, but the amount of money women receive from

Abbreviations: CECANOR, Central de Cafetaleros del Nor Oriente; CICAP, Centro de Investigación, Capacitación, Asesoría y Promoción; OPTCO, Organic Produce Trading Company; PROASSA, Promotora de la Agricultura Sustentable.

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the coffee sales depends on her husband. As in many other parts of the world, in Agua Azul there is ample evidence that even though women make up a large share of coffee production labor in household coffee fields and work longer hours, they have lacked agricultural decision-making power within the household (Hoagland, 2006), and less so at the cooperative-level.

The rise of Café Femenino could not have come about without preexisting organizations that changed and developed out of and in response to a number of grim economic conditions. Prior to the crisis in the organic coffee crisis in 1994, CICAP was the only organization and the original cooperative in Agua Azul. The emergence of PROASSA followed to ease CICAP's financial burdens and to improve coffee production management. Then, in 1999, CECANOR was formed and united all three separate cooperatives. The existence of these three organizations means that each cooperative serves a different function – CICAP focuses on capacity building, PROASSA is involved in the promotion of the coffee, and CECANOR unites the producers under the same organization – so each can respond differently and more effectively to the ups and downs of the coffee market (McMurtry, 2009). Once CECANOR came into existence and the yearly assemblies of women started taking place, the organizational infrastructure was already in place for the women's idea to separate the coffee to materialize into a new brand.

A woman receives 17 cents more per pound of coffee produced compared to the average coffee producer; which is a 30% difference overall (Hoagland, 2006). As Grounds for Change's best-selling coffee, this US coffee roasting company, pays Café Femenino women in Peru 2 cents per pound above the Fair Trade price, which stands at \$1.39 a pound for organic beans from Peruvian Fair Trade cooperatives. Also, this Northern coffee roasting company, among others, ensures women receive the money from the sales directly. The first shipment of 19,000 pounds of coffee in 2004 led to \$27,000 of profits from the sales (Allison, 2006). The income from the 2 cent per pound surcharge from the coffee sales goes to the cooperative for the women to decide how it will be invested (Hoagland, 2006).

Aside from reporting greater profits, Café Femenino reinforces the importance of female participation through the requirement of female land ownership. The requirement that a woman has control of her farm by being the sole owner of that piece of land is Café Femenino's claim of uniqueness and a novel approach to combat gender-based social and economic inequality. The requirement of female land ownership makes it clear that Café Femenino's focus is not just about challenging male-dominated land ownership, but about creating a central role for women in the coffee business. This is precisely what distinguishes Café Femenino from other FT organizations that focus on traditional women's work. As land owners, women transcend their community's traditional gender roles and gain a central role in the coffee business not just by using land ownership for control over the profits and the entire chain of production (from planting to sales), but also as a lever that drives greater levels of female participation in community governance. Most importantly, it is the link between female land ownership and greater involvement in democratic community governance that Café Femenino claims empowers women to influence the cooperative's development. In fact, Café Femenino valorizes female participation to such a degree that it matches the requirement for the female in the South to own a piece of land (if she is to participate in the cooperative) with the requirement that a female signs the contract for the Northern partner (McMurtry, 2009). It also requires that the roasters/distributors in the North collect 5 cents for each pound of coffee that is sold to donate it to a shelter for abandoned and abused women in the community the coffee is sold (Allison, 2006). In this way, Café Femenino tackles gender inequality both within the cooperative and transnationally by purposely

and reciprocally including Northern female participation in the coffee business while benefiting socially and economically marginalized women in the North.

The creation of the Café Femenino Foundation exemplifies how female participation in democratic decision-making at all levels of the organization have led to greater leadership opportunities for women and community capacity-building. Through the CF Foundation women are able to develop and request money for development projects that they deem important for their communities. Some of the grants provided for community projects developed by the CF women include investing in more coffee production, new transportation routes, a women's health care project, a small animal breeding project, seeds, a microlending fund, kitchen remodels, projects for women's self-esteem, and community literacy (Allison, 2006; Organic Products Trading Company, n.d.). The Foundation has also given \$1500 for books and other school supplies, as well as funds to help 600 daughters of these women producers to attend school (Organic Products Trading Company, n.d.). Some of the positive outcomes are attested by youth staying in the community (McMurtry, 2009). In essence, the women's democratic participation in cooperative governance is improving social and economic conditions at the household and community level.

Despite arguments in favor of Café Femenino's capacity to apply and build on the principles of FT to improve the living conditions of women while at the same time revitalizing the community in which it operates, it is important not to fail to discern its problematic development implications. Café Femenino displays substantial limitations to women's development due to a narrow and limited conception of economic and social development. This limited conception of development is embodied in FT's straightjacket reliance on the market, its narrow conception of participation as a purely local manifestation, and its distrust of and disconnect from state institutions. What this critique of the gendering of FT as a novel approach to development intends to reveal are the serious risks that the women could face if they remain dependent on an FT market that by itself does not provide the social safety nets, infrastructure, and real political participatory possibilities for female empowerment and cooperative development. Although CF may be deemed noteworthy for spearheading land ownership and female participation to combat gender inequality and poverty locally and transnationally, these efforts are greatly reduced in impact by being encapsulated and restricted to a FT market logic. Despite increased levels of female participation within the cooperative, CF suffers from deficiencies by upholding a market-based approach to addressing gender inequality and development. The focus on local female democratic participation in combination with land and FT market access does not bestow women with enough political power to acquire adequate protection for their coffee cash crop during market fluctuations and environmental catastrophes, it does not provide the needed financial, infrastructure, and technological support for product diversification, nor can it increase access to their isolated mountainous communities due to lack of roads. These are serious vulnerabilities that limit and jeopardize development gains previously made by female democratic participation in the redistribution of the cooperative's profits.

To break down the FT market-based development narrative, I propose that any serious and progressive gender development initiative must facilitate extending women's political networks beyond the cooperative, allowing women to make use of state institutions. If female participation is to achieve its fuller expression and greatest potential through the forging political networks that link cooperative women with the state, CF women will be better positioned to address the economic and social dimensions of market-related risks and vulnerabilities, prepare for environmental hazards, and increase poverty alleviation. In other words,

a revised conception of the FT cooperative development model is one that balances the FT market and the state through active female participation in forging political networks beyond the cooperative. The details of this balance still need to be worked out, but, at minimum, it should be understood as both the FT market and state engaging each other through democratic participatory processes within local and extra-local political institutions. Although Café Femenino's support for women's local participation and ownership of land are important steps forward, they are not sufficient. The question remains as to whether Café Femenino has exhausted all further innovations that can make it more ethical, more sustainable, and more robustly capable of empowering women.

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