



To: Dr. Earl Swallow, Chairperson of the Faculty Development Committee

Fm: Dr. David C. Johnson, Assistant Professor, Department of History

Re: **\$3,500 Faculty Research Grant Proposal for 2008 in Guatemala**

I. **Project Title:** *Strictly Hard Bean Squashes the Competition: The Production of Coffee in Guatemala During the Starbucks Era, 1989-present.*

**Summary:** Like tea and cocoa, the globalization of coffee began in the mid-seventeenth century. Yet for centuries, the boom-bust cycle inherent in coffee cultivation and corresponding economic poverty within the southern producing nations was of little concern to the rich northern consuming nations. Everything changed in 1959 when the Cuban Revolution forced the United States to react to the economic instability within the coffee economies of Latin America. In order to lessen economic stability caused by too many nations producing too much coffee, the consuming nations banded together with the producing nations and created the International Coffee Agreement, 1962-1989 (ICA). This commodity agreement met with some success in reducing the amount of coffee on the world market and prices remained mostly stable and remunerative for global coffee growers. But when the Cold War began to wind down in 1989, the northern consuming nations no longer had an incentive to concern themselves with southern economic volatility. By 1989, the landscape of the international coffee trade had changed dramatically. Those coffee growers who were able to grow Starbucks-type quality coffee (and receive a premium price) were better able to survive the boom-bust cycle of free trade.

**Abstract:** My project examines how the return to free trade and the Starbucks Revolution affected the production of coffee in Guatemala from 1989 through 2005. As a nation, Guatemala has some of the best coffee growing land in the world. Yet the unequal landowning patterns, dating from the colonial era (1524-1821), remained entrenched and limited economies of scale for the majority of nation's coffee growers who owned small plots. The Starbucks Revolution also caused another divide. Those growers that had the agronomic knowledge on how to grow quality coffee received better prices than those who did not have the agronomic knowledge to grow premium coffee. This divide between the haves and the have-nots continues to afflict the majority of the coffee growers in Guatemala that do not have the technical expertise.

## II. Narrative:

1. **Current Situation:** In today's increasingly globalized economy, my research proposal for the Elmhurst College Faculty Research Grant can serve as a case study about how international trade policies negatively and/or positively affect small and large coffee farmers. Today, globalization has turned into a dirty word and concerned citizens from Singapore to Seattle rail against its impact. Yet my research indicates that trade policies legislated from London and/or Washington can assist farmers in the developing world, provided their government gives its citizens the tools to succeed in a globalized marketplace.

The intended result of this project is to use my research to write an additional chapter and turn my dissertation into a manuscript (see below). My dissertation examined how a cartel, the ICA, affected the production of coffee in Guatemala during a roughly thirty year period, 1962-1989. Throughout the twentieth century, coffee was the second most valuable legally traded commodity originating from the tropics (petroleum was first). During the duration of the ICA, the producing nations and the consuming nations banded together in an attempt to reduce the cyclical nature of coffee production. Although Guatemalan coffee farmers were able to lower their unit costs and increase production, those that benefited had access to technical know-how (Green Revolution technology) while the majority of the smaller (Maya) farmers fell further behind their national and global competitors. The ICA expired in 1989 when the Cold War ended and the largest coffee consumer, the United States, was no longer willing to engage in a regulated trade scheme.

My research and subsequent publication fills a gap in the historiography of the Latin American coffee economy because historians have not yet examined how the international coffee trade affects its domestic production. In an influential 2000 article in *Hispanic American Historical Review*, the leading historian writing about the Latin American coffee economy, Steven Topik, challenged researchers to connect the production of coffee to worldviews. My research does this and Elmhurst College Faculty Research Grant will allow me to expand the original scope of the dissertation and include how the current free trade regime combined with global trading patterns affect domestic production. In a 2003 book edited by Steven Topik and William Gervase Clarence-Smith, *The Global Coffee Economy in Africa, Asia, and Latin America, 1500-1989*, none of the chapters specifically addressed how the international coffee trade affects domestic production, and none of the chapters addressed the era of the ICA.

In 2009, one of the leading academic journals devoted to Latin America, *Latin American Perspectives*, is publishing an edition about the impact of coffee cultivation in Latin America since the abrogation of the ICA in 1989. Steven Topik is the editor of this issue and my article "After the Fall the Slump: The International Coffee Agreement and the Production of Coffee in Guatemala, 1961-1989" will be part of this edition and serve as its introduction. However, Dr. Topik, the acknowledged expert in this research area, has strongly advised

me to extend the scope of my doctoral research and bring my project up to 2005. It is on the strength of this recommendation that I am applying for funding to return to Guatemala this summer.

The Project Plan: Due to time and financial constraints, I did not conduct research on the recent period of free trade, 1989-2005 when I was writing my dissertation. However, I have been working with some of the leading historians in the field of Latin America's coffee economy (see below) and they advised me to write an additional chapter about the post-ICA era. Last summer I used the Elmhurst College Faculty Research Grant to fill in gaps of my doctoral research for the period 1962-1989. In order to publish my dissertation, I need to extend the scope of my research beyond 1989. With funding, I can perform the research this summer, use this research to write chapter about post-1989 Guatemala during fall semester 2008 and submit a manuscript by August 2009. My intended audience would be upper-level undergraduate and graduate students in history, political science, and economic departments. Because of its topical nature, an additional goal is for finance and trade ministers to read my book about how both regulated and free trade affects small coffee farmers.

With a summer stipend, my work plan calls for me to research in Guatemala City for ten weeks. I will start my research at the *Asociacion Nacional del Café* (ANACAFE) in Guatemala City. From March through May 2004, the president of ANACAFE allowed me to research in their library and conduct interviews. I keep in contact with ANACAFE and they will let me use their library to research the post-1989 era. Next, I will research at *Archivo General de Centro América* (AGCA) in Guatemala City. I used the archives at AGCA from March through May 2003 and will be able to gain entrée next summer.

2. Faculty Expertise: From January through March 2003, I researched at the International Coffee Organization in London. While at the ICO, I established a strong working relationship with the Executive Director and his staff. The ICO supports serious academic scholarship about the importance of the international coffee trade in our globalized economy, and I rely on them to assist me with obtaining statistics. From March through May 2003, September 2003 through May 2004, and June through August 2007, I researched at various libraries and archives in Guatemala. Of particular interest was the library at ANACAFE in Guatemala City, where I obtained governmental surveys of the national coffee economy. I have developed a good working relationship with ANACAFE, and it has offered to provide me assistance if I am able to obtain funding and return in the summer of summer 2007.

My translation skills are excellent (Advanced Plus on the American Council on the Teaching of Foreign Languages) and I have support from ANACAFE and AGCA. I do not require any specific material to conduct this research, as I take notes on my laptop and have already purchased note-taking software.

In addition to having the requisite language skills and a good working relationship with the staffs at ANACAFE and AGCA, I also have the support from prominent historians who continue to assist me with this project. My dissertation advisor at Texas Christian University, Dr. Ralph Lee Woodward, Jr., is a leader in the field of the political economy of Central America. I maintain a good working and personal relationship with Dr. Woodward and he continues to provide me with invaluable advice. Another of the leading Central American historians, Dr. Héctor Lindo-Fuentes, whose position I filled while on a post-doctorate teaching fellowship at Fordham University, has also provided me with recommendations on how to turn the dissertation into a manuscript. Finally, the Latin American editor devoted to reviewing manuscripts for The University of New Mexico Press, Dr. Lyman Johnson of the University of North Carolina Charlotte, has offered to edit my manuscript before I contact publishers. With a summer stipend from NEH that will allow me the opportunity to research the post-1989 era, I believe my chances of publishing an important book about globalization are within reach.

3. Plans for Evaluation and Dissemination: This spring, I am presenting a paper at the Southeastern Conference of Latin American Studies (SECOLAS) in Ybor City, Florida based on the research I did last summer. My research from last summer examined landholding patterns in the highlands of Guatemala from 1962-1989. Héctor Lindo-Fuentes, who has published similar books about El Salvador, has agreed to read and comment on my draft copies of the paper that I will present to the SECOLAS in Ybor City.

The proposed summer project in Guatemala will be a success upon my publication of the manuscript. I have provided a copy of my dissertation to the International Coffee Organization in London, ANACAFE in Guatemala City, Héctor Lindo-Fuentes at Fordham, and Steven Topik at UC Irvine. Dr. Topik is considered an expert in this particular research field and has agreed to comment on my draft manuscript. Additionally, the University of New Mexico Press has indicated they have an interest in publishing the manuscript, and I will work with an editor (see above) from that press Fall 2008 to clean up the manuscript.

- III. Time line: I would like to allocate the maximum amount of time that I can spend in Guatemala, hence I would like to leave Chicago to arrive in Guatemala City on 2 June and return to Chicago on 16 Aug. I will devote all of my research time in Guatemala City, researching at ANACAFE and AGCA.

IV. Budget:	Airfare	=	\$ 900 <sup>1</sup>
	Lodging Guatemala City	=	\$ 2,450 <sup>2</sup>
	Bus fare	=	\$ 100
	<u>Photocopying</u>	=	<u>\$ 50</u>
	<b>Total</b>	=	<b>\$3,500</b>

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<sup>1</sup> Based on current GSA estimates.

<sup>2</sup> Based on \$35 per day for 70 days, well below the GSA rate of \$132. I will board with my friends Aunt.

On 14 January, I applied for the Albert J. Beveridge Grant for Research in the Western Hemisphere through the American Historical Association (AHA), an individual grant that does not exceed \$1,000. Additionally, though Elmhurst College I applied for a National Endowment of the Humanities Summer Stipend Grant (NEH) back in October 2007. Although the AHA grant is targeted for junior scholars, it has an acceptance rate of 12%. The NEH Grant is targeted toward senior scholars and has an acceptance rate of 9%. Should I obtain either grant, I would notify the committee. The winners of the NEH and the AHA grants are announced at the end of March.

V. Current and Previous Grants:

1. \$3,500 Faculty Development Summer Research Grant, Elmhurst College, Guatemala, May-August 2007
2. \$1,000 Doctoral Research Grant awarded by the Neville G. Penrose Chair of History and Latin American Studies of Texas Christian University, 2003-3004.
3. \$ 1,000 Thesis Research Grant awarded by the University of North Carolina at Charlotte and the Latin American Studies Department through William Wilson Brown, Jr., 2001.

VI. Publications:

1. "After the Fall the Slump: The International Coffee Agreement and the Production of Coffee in Guatemala, 1962–1989," forthcoming, *Latin American Perspectives*, 2009.
2. "The Starbucks Revolution and the Quick Death of the International Coffee Agreement," forthcoming, *Annals: The Journal of the Southeastern Council of Latin American Studies*, forthcoming, November 2008.
3. "All About the Bean: The Globalization and International Trade of Coffee," *Proteus: A Journal of Ideas*, 29 (March 2006): 28–34.
4. "The Urban Escape-Hatch: Nationalist Rhetoric and Ethnic Conflict within Guatemala." *Journal of Urban History* 31, no. 1 (2004): 124–132.
5. "Internationalization and the Guatemalan Coffee Economy, 1890–1910." *Annals: The Journal of the Southeastern Council of Latin American Studies*, no. 2, (2002): 66–81.