

Globalization and Rural Development: Insights from a Grassroots Engagement with International Trade

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This paper presents a place-based case of some of the social and economic effects that globalization, and specifically international trade, can have on rural development. Using a case study methodology, it focuses on a member led organic and fair-trade cacao producing organization in Southern Belize known as the Toledo Cacao Growers Association (TCGA). The research objective was to provide an analysis of how the TCGA, through its engagement with international trade, affected the socioeconomic conditions of the members and community. Using historical description, semi-structured interviews (n=35), and key informant interviews, it was found that the grassroots, co-operative structure of the TCGA contributed to the organization's capacity to weather shocks, reduce price volatility, and open a new international market. These, in turn, led to the overall financial stability of the TCGA, which allowed for investments in social and economic development for farmers and the community. The implication of these findings is that the development of a grassroots, co-operative structure may be an effective strategy for small rural producers to reap some of the benefits of exporting crops while minimizing the potential pitfalls associated with such a strategy.

Key Words: Rural development; international trade; globalization; fairtrade; grassroots; Belize

Introduction

The livelihoods of the world's poor have been profoundly impacted by globalization. These impacts have been extremely varied throughout the world and have brought both benefits and hardships to rural communities, with Latin America being no exception. The impact on the poor is significant, but whether it is positive or negative, is very context specific (Nissanke & Thorbecke, 2010). A large percentage of the global poor, and the majority of those who are extremely poor or destitute, reside in rural areas, making it an especially important target for poverty alleviation efforts (Ashley & Maxwell, 2001). Academics and policy makers have put forward a number of strategies to address the disproportionate disadvantage of living rurally, many of which embrace aspects of globalization, but further work remains.

The increase in the volume of international trade and the reduction of international trade barriers is one specific result of globalization that deserves greater analysis. At national levels, research on the affects of international trade on growth and poverty trend toward a favorable view, but there is still uncertainty. The order of causality is that trade liberalization leads to economic growth, which in turn leads to a reduction in rates of poverty. The first assumption has been

controversial and many have argued that variations in success are context dependent and ultimately difficult to measure (see Sachs & Warner, 1995; Rodrik & Rodriguez, 2000; Wacziarg & Welch, 2003). The second assumption is seen as more sound, but again, as argued by Ravallion (2001), comes with caveats outlining differences in location, problems with data analysis, and a need for greater understanding to stem from micro, rather than macro investigations. Winters *et al.* (2004) point out that theory presumes trade liberalization leads to poverty alleviation in the long run, but admit that empirical evidence for this link is inconclusive since *how* trade liberalization is adopted matters more than *if* it is adopted.

Looking at 28 countries over a thirty year period, Rodriguez-Pose (2012) found that trade openness causes varying levels of income inequality across different regions. Country specific conditions led to the variations and lower income countries were more susceptible to greater inequality. At the regional scale within countries, data on the relationship between income inequality and trade is limited, but Silva (2007) found that in Mozambique trade effects were mixed, varying according to the type of trade. She believes there is a need for greater examination of history, politics, and geography to determine the effect trade has on development.

It is difficult to make authoritative statements on the relationship between trade and poverty reduction because the lives of the poor are dynamic and are influenced by many variables. One tangible way we can begin to address this problem is through the accumulation of knowledge about local projects that have engaged with aspects of trade. As more information is gathered, our insight into the relationship between trade and rural poverty reduction will increase, which will provide not only the means to shed light on the issue, but will contribute to our understanding of how impoverished rural communities can embrace trade benefits while avoiding its costs.

The gap in our understanding of links between rural people and global processes has been identified by a number of scholars who have called for greater consideration of place, context and history in development interventions and planning (Bebbington & Batterbury, 2001; Scoones, 2009; Barca *et al.*, 2012). This paper presents a rural development strategy that used a predominantly grass-roots co-operative approach and engaged international trade as a means to improve the economy and society of the region while avoiding many pitfalls. Using a combination of historical description and semi-structured interviews, it was found that the approach led to livelihood diversification, increases in income, an increase in local human capital, and overall to greater access to opportunities for its members and the community. Understanding this development program contributes to our comprehension of how place, history and context shape the success or failure of development interventions that engage with globalization, and can ultimately lead to more robust development strategies and approaches.

The History of the Toledo Cacao Growers Association

Belize is a small country in Central America that borders the Caribbean to the east, Mexico to the north and Guatemala to the west and south. Belize's population in 2011 was 356,600 people, with about one third living in the area of Belize City, the country's largest city, and nearly half of its residents living rurally (IFAD, 2010). The key driver of the economy, and national priority for economic development is tourism, which is supplemented by some minor forestry and agricultural activity (Author, 2008). The country's Human Development Index ranking is 96, placing it in the second lowest category - Medium Human Development (UNDP, 2013). The most recent poverty rates, collected in 2002 (NHDAC), indicate that 33.5% of all Belizeans, and 44.2% of rural Belizeans live below the international poverty line of \$1.25US per day.

The Toledo district is the southern-most district and the poorest in the country. Located far from Belize's main tourist attractions, it does not draw much investment, either foreign or domestic. The little investment that does exist is primarily focused on logging, which is often ecologically damaging, as few regulations exist to encourage sustainable or environmentally conscious extraction. Few employment opportunities exist in the area and many of the residents are subsistence farmers. The district is also quite remote and sparsely populated, with only one recently paved road that ends in its capital, Punta Gorda. Unlike other areas of Belize, indigenous Maya groups, namely the Mopan and Kekchi, predominantly populate Toledo.

In the early 1980s, foreign aid from the United States Agency for International Development (USAID) funded a development plan aimed at encouraging the farmers of Toledo to grow a cash crop of cacao. USAID's motives were primarily driven by geopolitics and American economic self-interest. During this period there was significant peasant unrest in Central America, particularly in Nicaragua and El Salvador, and aid was seen as a means of building pro-US sentiment. President Reagan also desired the fostering of public-private partnerships for development (Exec. Order 12395, 1982) and the result pushed for an aid approach that heavily favored US interests (Andreas, 1984). Such an approach was used in this case, and USAID found a willing collaborator, Hershey Foods Inc. (Gaarder & McCommon, 1990).

Hershey's growing interest in Belizean cacao production occurred at the same time as the cacao crops of West-central Africa, where most cacao was produced, were being threatened by unsustainable farming practices and disease. This can be a persistent problem if cacao production is not being carried out in an ecologically sound manner (Rice & Greenberg, 2000). Hershey's desire to diversify their holdings to mitigate potential crop failures in Africa coincided with USAID's efforts to include the private sector in development. Hershey agreed to provide the market and USAID would provide the producers (Off, 2007). In 1983, with the help of USAID, the first cacao trees were planted. Due to their five-year maturation period, the trees didn't produce cacao until 1988. In 1986, in preparation for their first harvest that would have to be sold on the world market, many of the cacao farmers in the Toledo district formed a co-operative called the Toledo Cacao Growers Association (TCGA). The TCGA was formed with the help and cooperation of the Toledo Agriculture and Marketing Project (TAMP), which was the educational and, eventually, loan-offering wing of the USAID funding. TAMP was administered primarily by local Belizeans and a small number of American Peace Corps

volunteers. It offered educational seminars and advice and provided agricultural tools. In 1989 it offered small loans for the establishment of further cacao production. TAMP's official goal was to establish a viable export-oriented agriculture among small landholders in the Toledo district (Emch, 2003).

The number of founding members of the TCGA varies according to different sources but was no more than a few dozen. Almost all occupied leased or communal land. The first cacao plantations were small, with many farmers planting an acre or less of trees. Many took a cautious approach, were unsure of the viability of the project, and 'didn't want to place all of their eggs in one basket' (pers. comm., 2009a). Many farmers felt they took a risk planting cacao trees since they took land away from other traditional crops, required a very long time to yield cacao, and had little value if the crop could not be sold on the world market (pers. comm., 2009a).

In 1988, the TCGA reaped the rewards of their investment and sold their first crop of cacao, the first exclusively cash crop ever sold by most of the farmers (Fair Trade Foundation, 2005). This added income allowed them to purchase small basic necessities such as clothes, better tools, and food (Fair Trade Cooperative Stories, 2007). From year-to-year, the TCGA and its members produced continual growth in the output of their cacao at a relatively steady rate. After only three harvests, however, in 1991, the world price of cacao plummeted and the TCGA went from selling their cacao for \$1.25 BZD¹ a pound to \$0.50 BZD a pound. At that price, the input costs significantly outweighed the output rewards. Cheaper prices elsewhere coupled with disease problems failing to materialize in Africa led Hershey to continually lower the offered price and then ultimately withdraw from their agreement with the TCGA. The company left the farmers without an outlet for their products and many held loans for trees the company encouraged them to plant. This led to farmers' disenfranchisement with the 'income generation project' and foreign influence and investment. The consequences of the drastic fall in cacao prices forced many farmers to seek off-farm employment to sustain themselves and their families (Fair trade Foundation, 2008). In the words of the chairman of the TCGA in 1999, Cayetano Ico, "the price we could get for our cacao was so low it was not worth harvesting. Many of us abandoned our trees. Some farmers went off in search of work on plantations. It was a very difficult time for us" (Fair Trade Cooperative Stories, 2007).

Despite these hardships, the TCGA managed to stay intact as a functioning co-operative. They undertook the mission of finding a new buyer for their cacao. Eventually they found a United Kingdom based organic chocolate company called Green & Black's

(G&B). G&B was interested in producing a new organic chocolate bar called Maya Gold, which was loosely based on an old spicy chocolate recipe. The TCGA benefited from two very important advantages that were deemed desirable by G&B. The first was that most of the farmers were of Mayan descent, which would give authenticity to the G&B product. The second was that the TCGA had been producing their cacao with little environmental disruption, such as milpa (a Mesoamerican form of slash and burn agriculture). They also used very few agricultural inputs, which would make it easy to change their farming techniques to meet organic labeling requirements. This was because pesticides and clear cutting were costly, not very necessary to achieve good yields, and the farmers preferred to grow their cacao according to their historical custom of shade growing. This is a cultural technique that is environmentally friendly, requires little to no deforestation, and limits soil degradation. It also produces a superior product, making it very alluring to G&B (Caddy, n.d.).

The TCGA also viewed a partnership with G&B favorably. One of G&B's driving principles and key marketing strategies was ethical consumerism, which led to its interest in the Fair Trade movement, and its desire to offer a Fair Trade price to the TCGA. Although the Fair Trade labeling system was still a novel endeavor in the early 1990s, its promise of a stable price addressed some of the concerns of the TCGA farmers who feared the volatility of world market prices. G&B was also willing to sign a long term renewable contract agreeing to buy all of the cacao that the TCGA could produce, thus mitigating some of the apprehension farmers had developed towards dealing with foreign companies (pers. comm., 2009a).

In 1994 the TCGA and G&B, with guidance from members of the UK Fairtrade Foundation, signed a five-year rolling contract making the TCGA the exclusive supplier of cacao for G&B's Maya Gold chocolate bar, made G&B the first UK Fairtrade certified company, and made the TCGA the first certified organic and Fairtrade cacao producers in the world (Cacao Growers, 2010). The contract included a US\$20,000 advance from G&B so that farmers could be paid cash when they delivered their cacao. An incentive structure was also agreed to, which paid a premium to farmers who enhanced their shade growing practices by planting other types of trees. The purpose was to foster greater biodiversity and encourage long-term investment (one mature mahogany tree could be worth as much as an entire year's cacao harvest) (Sams, 1998).

During the late nineties production steadily increased for the TCGA (Crucefix, 1998). However,

in 2001 Hurricane Iris struck Southern Belize and inflicted extensive damage. Nearly 80% of the TCGA's cacao trees and many of the taller shade trees were destroyed. This was a setback for the organization as many farmers became skeptical of cacao growing. The hurricane revealed an important risk. Once fully mature cacao trees began to yield cacao they were easy to maintain and provided a high source of revenue. However, their long gestation period of five years made recovery from disaster or disease long and arduous. Other annual crops may be wiped out under similar circumstances but they would likely be available the following growth cycle, making them less of a liability than cacao and more profitable in the short term. Despite these challenges, the TCGA prevailed upon its members the merits of cacao growing. They increased their outreach and tree fostering activities and by the mid 2000s reached pre hurricane levels of production (pers. comm., 2009a).

Over the period of its existence, the TCGA increased its registered membership from approximately 200 farmers to over 1000. They have increased the acres of cacao trees from about 300 to 3000. Their production has also increased significantly, from approximately five metric tons in the mid nineties, to nearly 24 tons in 1997 (Crucefix, 1998), to over 30 tons in 2006 (Purvis, 2006). In 2009 the chairman of the TCGA estimated they would produce nearly sixty tons and predicted they would reach 80 tons in the following two to three years (pers. comm., 2009b).

The TCGA is very active in the development and capacity building of its member farmers. TCGA extension officers, who are long standing and productive members of the organization and community, are responsible for the dissemination of cacao production knowledge and information. Their skills are rooted in their experience and from workshops where the latest information is presented, usually from other experts, representatives of Fair Trade or organic labeling, or a representative from G&B. The focus of their work is the teaching and maintenance of Fair Trade and organic standards as well as increasing yields and overall crop quality.

The TCGA also works to contribute to the social welfare of the community. As part of the requirements for Fair Trade labeling, the agreement between G&B and the TCGA included a provision that a \$150 premium per ton of cacao would be spent on social projects. Some of these investments included computers for local schools, and a university scholarship available to any resident of the Toledo District. The organization is also a key sponsor and organizer of the Chocolate Festival of Belize, the largest festival in the district, which attracts both domestic and international visitors and is a primary driver of tourism in the area.

In 2005, Cadbury, the world's second largest confectionary company at the time, bought Green & Black's. Despite the change in ownership, Cadbury pledged to run G&B as a separate business, which it was doing in 2009, at the time of this research. In 2010, Cadbury, along with G&B, were purchased by Kraft foods, one of the world's largest food conglomerates. Although the Cadbury acquisition of G&B had little affect on the TCGA's operations, the entrance of Kraft did not come with any promises not to alter the activities of G&B. This very well may pose new challenges to the TCGA and lead to alterations in its operations.

The Toledo Cacao Growers Association and Globalization

The TCGA consider themselves a co-operative since they are organized and led by local members of the community, are socially inclusive, allowing any cacao farmer to join, and consider the interests of their members and the community as being their primary concern. Although initially created with the help of outsiders, this help was offered in a participatory manner making farmers the champions of the project rather than outsiders. The TCGA take pride that they maintained the continuity of the organization through engagements with various other groups, and through externally wrought challenges (pers. comm., 2009a; pers. comm., 2009b).

Most farmers, prior to joining the TCGA, did not grow cacao. They recognized, however, an economic opportunity to diversify and increase their incomes through engagement with the world market while maintaining focus on their agricultural abilities. This allowed them to play to their strengths while limiting their vulnerabilities. By expanding from a local market to a global market, they opened themselves to new possibilities and revenue (Development Assistance Committee, 2004). The choice to focus on cacao, an indigenous and culturally historical crop to the Mayans, was recognition of the need for a cash crop that was within their capacity to produce.

Aspects of globalization have presented occasional challenges to the TCGA since its foundation. The first was the collapse of the price of cacao in the early 1990s and the withdrawal of Hershey as their sole purchaser. Before entering into a Fairtrade agreement, the organization faced the downsides of international trade that many other small farmers face: price volatility. They also found that international business relationships relied less on social values and tended to focus more on economics, which was somewhat at odds with their own values. However, their subsequent relationship with G&B

tempered such perception and led to price stability, successfully mitigating two potential pitfalls that engaging in international agricultural trade may present. The TCGA became an institution that provided stability for farmers of the region and coupled with Fair trade, offered reliability in an otherwise complex system that is typically stacked against small farmers (Raynolds et al, 2004; Raynolds, 2000).

Globalization brought a number of other challenges as well. In 1999 the success of the organization led its leadership to develop interest in other agricultural ventures. The parent company of Green & Black's at the time, Whole Earth Foods, presented the TCGA an offer to grow organic black beans and agreed to buy 75,000 pounds. In their zest to include many producers and maximize the distribution of benefits, coupled with their inexperience with market mechanisms, the TCGA ended up producing far too many beans. They were then forced to sell their excess beans at a loss. Another example of organizational and managerial inexperience through a coordination failure occurred at one point when they negotiated transport for the beans. Having little experience with corporate dealings or international trade logistics, the TCGA purchased too much shipping container space. These two events yielded a loss on the production of the beans that were initially meant to provide additional income (pers. comm., 2009a).

Another challenge has been land rights issues in the remote areas of Toledo. Many Maya have lived in the area for decades but do not hold legal title to the land. With globalization, foreign logging firms have had a growing interest in the valuable forests. Logging concessions have conflicted with informal land ownership by communities and decisions regarding land rights have been in the courts for several years. The TCGA has emerged as a lobby for the recognition of farmers' rights to their land. They believe that the future of their organization and the preservation of the livelihoods of member farmers rely on the land dispute being decided in their favor (Fairtrade, 2008).

The previous sections have provided a historical description of how the TCGA was able to navigate some of the risks that engaging in international trade can present to a rural agricultural co-operative. The following sections outline how the co-operative approach yielded benefits to members and the community.

Field Research Methodology and Findings

The field research was conducted over a three-week period in spring 2009. Semi-structured interviews

were conducted with thirty-five ($n = 35$) active member farmers of the TCGA. This number is approximately representative of 10% of the active TCGA membership. Informal interviews were also carried out with two TCGA extension officers, the TCGA general manager, and the TCGA chairman who provided insight to the TCGA's history and its engagement in international trade.

Interviews with TCGA farmers were conducted either in their homes or near the TCGA main office. They were chosen using a mixed method of purposive and snowball sampling (Neuman, 2006). The first farmers contacted were chosen randomly from the TCGA's database of members. Once I made contact I was often referred to neighbors and other villagers who were also members. While in the village I would also often meet farmers on the road whom I would also conduct interviews with. While Belize's national language is English, some of the Maya people living in rural southern Belize were better at communicating in their native languages of either Kekchi or Mopan. In these instances an interpreter was used.

The Farmers

At the time the fieldwork was conducted in 2009, the TCGA had been in operation for 28 years. The number of years that the interviewed farmers had been members varied. Six had been around since its inception while two had only been members for one year. The average length of membership amongst the farmers interviewed was slightly less than 11 years. The members of the TCGA reside throughout Toledo, particularly west and north of Punta Gorda, the capital of the district. They live in numerous small remote villages only accessible during good weather by truck or school bus. During the rainy season many of the villages are inaccessible as the dirt and gravel roads become impassable. Some villages that farmers identify with do not appear on conventional maps.

The survey attempted to gain the opinions of farmers from many areas and villages. Interviews were conducted in eight village areas: one from San Felipe, one from San Benito, five from Silver Creek, two from Laguna, four from Big Falls, ten from San Jose, eight from San Antonio, and four from Santa Cruz. There is an ethnic diversity among the Maya people of the South. Mopan people tend to live toward the interior and uplands, while the Kekchi typically reside in the lowlands area closer to the Caribbean Sea. Twenty-one (60%) of the 35 farmers interviewed were Mopan and 12 (34%) were Kekchi. The other two identified themselves as being both Mopan and Kekchi due to their parents being of different groups.

The farmers of the TCGA are generally very financially poor. When asked how many assets they

owned other than their house, 22 (63%) said they had none, 11 (31%) said they had one, and 2 (6%) said they had two assets. The assets themselves were also not typically of much value, with most listing a horse, many of which the farmers laughed about and called old. Five farmers had a motorbike or truck and one had a small amount of rental property. Property was generally not owned and most farmers either leased their land (18 or 51%) or farmed community land (12 or 34%). Only two (6%) owned their land and one farmer indicated that he owned and leased land. Most homes had thatched roofs and dirt floors. Clothing was difficult to come by and was continually maintained or made at home. Food, although proudly served and well flavored by locally grown garnishes, was limited in its quantity and diversity. A sad twist of irony was that very few of the farmers had ever tasted the chocolate their crops produced, as it was too expensive and not easily available (field notes).

In keeping with conventional developing world birthrates, the respondents typically had very large families. The farmer with the smallest family had 4 members while the largest family was 15. The total number of family members counted in the survey was

324, an average family size of just over nine persons. While the head does not technically speak for each member of his/her household, it is reasonable to deduce that there would be continuity of opinion, particularly in such close knit family structures. In Belize, and in the Toledo region in particular, families often follow very patriarchal structures. This was reflected in the interviews in which 28 (80%) were men and 7 (20%) were women. The average age of respondents was almost 44 years of age with the oldest respondent being 70 and the youngest being 18.

The current education levels of the farmers interviewed and their families are very much in keeping with conventional developing world education rates and Belizean educational policies. Table 1 outlines the details of the education levels of those who were interviewed and their families. The average number of children of TCGA farmers who were enrolled in school at the time of research was 2.31. The total number of children enrolled at the time was 81, 25% of all family members identified in the project. The majority of both farmers and family members have at least some primary school but few go much further.

Table 1: Education Levels of Interviewed TCGA Farmers and their Families

Level of Schooling	Respondent Education n=35	Family Education n=324
None	1/3%	24/7%
Primary	27/77%	207/64%
Secondary	4/11%	71/22%
Advanced ²	3/9%	18/5.5%

Farmers were asked directly if the members of their family had increased their education and school attendance since joining the TCGA. The implication was that the TCGA had played some role in this. Fifteen (43%) believed that their family's education had been enhanced since joining the TCGA. Seventeen (49%) did not.

Education can take many forms and can be formal and informal, conventional and unconventional. Attending training sessions and workshops can constitute education opportunities. Of the 35 farmers interviewed, 25 (71%) participated in these types of opportunities. Thirteen (37% of total, 52% of attendees) farmers identified the TCGA as the host of most of these educational opportunities, while the remainder (9) identified other agriculture and socioeconomic type workshops that they attend.

Agricultural Activity

Introducing cacao growing as a cash crop for the

farmers of Toledo was intended to provide diversity to the predominantly subsistence based livelihoods of the region, which can yield greater livelihood security (Ellis, 1998; Ellis 2000). As Table 2 demonstrates, members of the TCGA grow many different crops of various sizes, some of which they sell in the market. Most crops are primarily grown for personal consumption but excess from bumper crops is sometimes sold. These excess crops often do not amount to large quantities and are generally a bonus form of income rather than one that is counted upon year after year. During interviews, farmers were asked which crops they grew to sell and how much. Corn is the second most produced crop as it is a core dietary staple of the Maya. Many farmers grow it mainly for consumption but often have extra which they then sell. Beans and rice are also popular and a regular part of the farmers diet. These two crops are similar to corn in that they too are primarily grown for consumption with the excess being sold. Cacao was the only crop widely grown for the exclusive purpose of being sold.

Table 2: Crop Sizes

Crop	Number (%) of Farmers Interviewed	Total Area in Acres	Percentage of total Farmed Land	Percentage of cash-crop land	Average Farm size in Acres
Cacao	35 (100)	197.5	35%	54.35%	5.64
Corn	21 (60)	109.75	19.60%	30.20%	5.23
Beans	10 (29)	15.5	2.70%	4.27%	1.55
Rice	9 (26)	15.5	2.70%	4.27%	1.72
Citrus	3 (9)	15.25	2.70%	4.20%	5.08
Vegetables	2 (6)	0.75	0.10%	0.21%	0.375
Annatto	2 (6)	3	0.50%	0.83%	1.5
Coffee	1 (3)	1	0.002%	0.28%	1
Mango	1 (3)	1	0.002%	0.28%	1
Pineapple	1 (3)	0.125	0%	0.03%	0.125
Plantains	1 (3)	2	0.004%	0.55%	2
Fruits	1 (3)	1	0.002%	0.28%	1
Ginger	1 (3)	1	0.002%	0.28%	1

Another finding was that other than Cacao and Citrus, most other cash crops had been grown by farmers all their lives. This outlines how difficult long-term diversification is to maintain and how reluctant farmers have been to try new cash crops. It also indicates that few of these crops are initially sold for income. These figures speak very strongly to the ability of the TCGA as a co-operative to encourage farmers to produce a cash crop, and to their ability to maintain confidence and stability in the market for cacao.

The farmers were also asked how much land they farm in total and how much they devote to each crop. The total farmed land, which includes both cash crops and consumed crops, identified by all 35 farmers interviewed was 559 acres. The largest farm was 34 acres and the smallest was only 1 acre (2 farmers had such small farms). The average farm size was 16.94 acres. The total amount of land devoted to cash crops was 363.375 which is 65% of total farmed land, although this included crops which could be sold but often were primarily grown for consumption.

Overall, the average number of cash crops that the farmers of the TCGA have is 2.54 with the largest number being 5 (2 farmers) and the lowest being 1 (9 farmers). Through discussions with TCGA representatives, they revealed that this was approximately a doubling of the cash crops for members since the beginning of the co-operative. Their livelihood diversification is even more prevalent when factoring in all forms of income. Only 5 (14%) farmers interviewed had one source of income while 13 (37%) had two sources and 16 (46%) had three. No farmer had four sources and one farmer claimed to have five different sources of income. Table 3 outlines the top forms of income by the farmers interviewed.

The data in Table 3 indicates that growing Cacao is the most significant source of revenue for the members of the TCGA. Nearly half of the farmers consider it their primary source of income and for 83% of the members interviewed it is at least in their top three sources of revenue. Most of those that did not identify cacao as a top income source are relatively new members of the organization and their trees have not yet begun to produce.

Table 3: Income Sources of Farmers

	Primary Income Number (%)	Secondary Income Number (%)	Third Income Number (%)	Fourth Income Number (%)	Fifth Income Number(%)
Total	n=35	n=30	n=17	n=1	n=1
Cacao	17 (49)	8 (27)	4 (24)	0	0
Skilled Labour ³	6 (17)	1 (3)	1 (6)	0	0
Labour	5 (14)	2 (7)	0	0	0
Corn	3 (9)	8 (27)	4 (24)	1 (100)	0
Business	1 (3)	2 (7)	0	0	0
Annatto	1 (3)	0	0	0	0
Pigs	1 (3)	0	0	0	0
Rice	1 (3)	2 (7)	1 (6)	0	1 (100)
Beans	0	2 (7)	4 (24)	0	0
Citrus	0	2 (7)	0	0	0
Crafts	0	1 (3)	0	0	0
Ginger	0	0	1 (6)	0	0
Yams	0	0	1 (6)	0	0
Plantaines	0	0	1 (6)	0	0

Organic growing can be controversial. For some producers the lack of inputs means savings while for others it can mean much greater growing challenges and lower yields (Pimentel, 1993). Farmers were asked how they grew their crops, whether organically

or not, and how long they had been doing so. As Table 4 indicates, when it came to cash crops, the farmers were not very reliant on crop inputs such as pesticides and fertilizers.

Table 4: Education Levels of Interviewed TCGA Farmers and their Families

Crop	Number (%) of Farmers Interviewed	Number (%) who grow Organically	Average # of Years growing the crop	# Who Have Grown it all their Lives
Cacao	35 (100)	35 (100)	12.19	9 (26)
Corn	21 (60)	17 (81)		21 (100)
Beans	10 (29)	9 (90)		10 (100)
Rice	9 (26)	6 (67)		9 (100)
Citrus	3 (9)	2 (67)	5.08	1 (33)
Vegetables	2 (6)	1 (50)		2 (100)
Annatto	2 (6)	2 (100)	4	1 (50)
Coffee	1 (3)	1 (100)		1 (100)
Mango	1 (3)	0 (0)	10	0 (0)
Pineapple	1 (3)	1 (100)	4	0 (0)
Plantaines	1 (3)	1 (100)	2	0 (0)
Fruits	1 (3)	1 (100)		1 (100)
Ginger	1 (3)	1 (100)	3	0 (0)

Farmers were also asked about their feelings towards organic growing. Many mentioned that they believed it to be a healthy alternative for them and their families, some pointed out that it was cheaper, and one farmer believed it was the way his ancestors would

want him to farm. Some of the challenges to growing organically were also pointed out. Some cited the fact that it takes more work and that crops take longer to grow. However, overall the response was positive as shown in Table 5.

Table 5: TCGA Farmers Feelings towards Organic Growing

n=35	Number (%)
Very Positive (+2)	18 (51)
Positive (+1)	10 (29)
Indifferent (0)	3 (9)
Negative (-1)	3 (9)
Very Negative (-2)	1 (3)
Average Feeling	+1.17

Fair Trade

The rise in popularity of Fair Trade over the past two decades has touted empowerment and development as being the core dividends of the alternative market system. This has been a heavily supported position (see Jaffee, 2007), but some limitations have been noticed. Haight (2007) argues that Fair Trade does not lead to as much social and economic amelioration as it claims, but that it acts as a short term ‘institutional surrogate’ to the poor who do not have access to more traditional institutions that may enhance economic security. Arce (2009) has found that Fair Trade can lead to social exclusion for some farmers and Collier (2007) believes it simply incentivizes farmers to continue producing the crops that led them into poverty rather than to adapt to global market trends. On the other hand, Bacon (2005) found that participation in Fair Trade networks reduces farmers’ livelihood vulnerability. Fridell (2007), although supportive, believes that Fair Trade must evolve and adapt to emerging challenges to remain significant and relevant to the poor.

Some of these concerns are consistent with the findings of this research while others are not. Collier’s concern was inaccurate in the context of the TCGA since it was the organization that offered an alternative to traditional crops and diversified the agriculture of

the Toledo region towards a crop that had market demand. Arce’s concern for social exclusion didn’t materialize in the findings, likely because the barriers to entry for members were so low. Haight’s argument was accurate in this context; the TCGA does indeed primarily act as an institution that mitigates the negatives of economic globalization while facilitating its engagement. However, the findings indicate that this was a positive aspect of the organization and they considered this their *raison d’etre*, and the interviewed farmers viewed the TCGA favorably in this role. The TCGA farmers were asked what their feelings were regarding Fair Trade. Some of the benefits that were pointed out by respondents include the fact that it gives producers a good price for their crop and therefore more money in their pocket, it creates equal treatment of producers, and is stable. One farmer mentioned that it breeds good leadership, while another said it gave him courage to plant more, and one admitted it made him feel proud. The only specific negative comment was from one farmer who believed that the price for cacao should be higher. Overall, as seen in Table 6 the views toward Fair trade were very positive. Nearly half of respondents viewed it as very positive while 80% saw it as generally positive. Evidently, Fair trade was important to TCGA farmers and was thought of as a very constructive part of the organization.

Table 6: TCGA Farmers’ Feelings towards Fair Trade

n=35	Number (%)
Very Positive (+2)	16 (46)
Positive (+1)	12 (34)
Indifferent (0)	5 (14)
Negative (-1)	1 (3)
Very Negative (-2)	1 (3)
Average Feeling	+1.17

Perceptions towards the TCGA

To give an impression of the farmers' perceptions and feelings toward the TCGA, they were asked

specifically what they thought the 'pros' and 'cons' were of the organization. These are presented in Table 7.

Table 7: Pros and Cons of the TCGA

Pros	Topics	#of Farmer Responses
	Economics/Money	18 (51)
	Support/Training/Help	15 (43)
	Organization	3 (9)
	Community Support	3 (9)
	Other	3 (9)
Cons	Topics	#of Farmer Responses
	Leadership/Organizational Disatisfaction	8 (23)
	Difficult Standards	2 (6)
	Other	3 (9)

Most farmers had opinions about the organization and could name both good and bad qualities. Some positive comments include "they buy cacao when we couldn't sell it before," "they create a market," "they offer scholarships," they help and educate farmers," and "they offer a good price." Some of the negative comments include "they only focus on cacao," they

sometimes don't work together," "you must pay more attention to your growing practices," and "the work is a little harder."

When analyzed to determine the overriding sentiment, the view was that the TCGA had many more 'good' qualities than 'bad'. Table 8 outlines the aggregated views of the farmers.

Table 8: Aggregated Pros and Cons of the TCGA

n=35	Number (%) of Pros	Number (%) of Cons
Three	4 (11)	1 (3)
Two	11 (31)	2 (6)
One	16 (46)	10 (29)
Zero	4 (11)	22 (63)
Average	1.43	0.49

Related to perceptions of the TCGA as an organization, farmers were asked about their participation in TCGA sponsored workshops, meetings, planning, or events. This question was designed to offer insight into the participatory and educational effects the organization may have. Nine (26%) farmers said that they participated regularly, 24 (69%) said that they participated sometimes, and only 2 (6%) said that they didn't participate at all.

Extending from the above question, farmers were also asked about the structure and organization of the TCGA. They were asked if they thought the TCGA was open, transparent, and inclusive. Twenty-seven (77%) said that it was, 5 (14%) said that it was not, and 3 (9%) did not know. When asked if they thought the leadership of the TCGA was elected fairly and democratically 25 (71%) said 'yes', 7 (20%) said 'no',

and 3 (9%) did not know. Although relatively positive, there is room for the TCGA to improve its member relations.

Farmers were also asked if they could identify any positive or negative impacts the organization had on the community. Seven (20%) farmers identified two positive things the TCGA had done for their community, 14 (40%) farmers could name 1 impact, and 14 (40%) could not name any. The examples ranged from the abstract to the specific. "Projects to help farmers," "facilitated permanent crops," "provide training and transportation," "offer disaster relief," and "involved in land claims," were some of the general impacts and activities identified by the farmers which the TCGA undertook for the benefit of the community. Specifically, the building of cacao dryers, offering scholarships, holding workshops, giving computers to

schools, and offering seedlings were mentioned by the interviewees. No farmers could identify a specific negative impact the organization had on the community. Although 40% of respondents did not mention a specific activity that the TCGA did for their community, 60% did and the varied list of TCGA contributions indicates that they have had some impact in fostering community development.

The research also indicated that the farmers perceived themselves to be financially better off due to membership in the TCGA. 27 of 35 (77%) farmers responded in the affirmative while only 5 (14%) responded negatively. One (3%) felt that sometimes he seemed better off and 2 (6%) pointed out that the question did not apply to them since their trees had not yet started to produce cacao. This is a positive finding for the TCGA since increasing the economic security of its members is its primary goal.

Conclusion

The findings of this study demonstrate that the co-operative nature of the organization was a leading factor in its ability to engage in international trade, and by extension, create a generally positive social and economic impact on its members and community. However, areas for improvement, particularly in gender equality and governance transparency, still exist. Development projects similar to that of the TCGA have been tried in other places and in different contexts with varying results. Insights from the history and organization of the TCGA can contribute to a more robust understanding of some of the rewards and pitfalls that rural agricultural development projects may face when engaging in international trade.

The organization must continue to reinforce its capacity to navigate the challenges brought about by globalization. By using a Fair Trade strategy to export their crops they mitigated some of the most immediate and volatile risks to engaging international markets. Organic growing was helpful as it was in keeping with tradition and kept input costs low. Cacao as their crop of choice was also wise as it created a cultural connection. The final product, the Maya Gold chocolate bar, which explicitly recognized the efforts and culture of the producers, gave a sense of pride in their work. The participatory nature of its operations also contributes to its robustness. These decisions, and many others, combined to create the TCGA's success. The choices yielded producer buy-in, economic and social benefits, and longevity of the organization. Many of these can be attributed to its co-operative structure.

Areas for further research include examining the impact of the Kraft takeover, especially since mergers

of major purchasing companies are becoming more common, and the impact on small agricultural producers is not well known. Another area in need of research is the role of land ownership conflicts such that the TCGA and many other small indigenous producers face. A greater understanding of these globalization pressures will further contribute to more effective rural development policies and strategies.

Bardhan (2006) has argued that the challenges globalization presents to rural dwellers should not be met with anti-globalization sentiment, but rather with specific and pro-active programs that help poor farmers adjust and coordinate. The TCGA has attempted to mitigate globalization-induced stresses and has been in many ways successful.

Notes

1. The Belizean dollar is pegged to the US dollar at a rate of 2:1
2. Advanced education is considered any training conducted after secondary school and can include trades, university, or certificate programs.
3. Skilled labour was considered any job that the interviewee specifically described. This included carpenter, working for the TCGA, working at the clinic, bus driver and school teacher. If interviewees identified labour as a means of income but referred to it as general manual labour then it was recorded simply as 'labour'.

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