

## A CUP OF COFFEE

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I am not someone with a wonderful memory for visions I have witnessed, but this scene was so striking it has been imprinted on me ever since. It was in the small country of Guatemala. We looked down the steep side of a ravine into a valley of green: the light greens of young plants in cultivated fields, the darker greens of trees and wild vegetation. A silver waterfall fell down from the other side of the ravine, creating a clear stream that ran right through the middle. Nothing I have ever seen has ever looked more like the Garden of Eden to me. What we were looking at, however, was no biblical scene, rather it was some of the land of a small community of Guatemalan farmers.

The majority of Guatemalans are pure Mayan and many speak no Spanish, but rather a native language, such as Quiche. Guatemala is the only country in the Americas where the majority of people have no European ancestry. Of the 40% of Guatemalans who are not *pure* Mayan, more than three-quarters have some Mayan ancestry. Only a tiny fraction of the population is of pure European ancestry, but that tiny percentage holds most of the wealth of the country and owns most of the land. This has been a longstanding cause for political and social unrest and violence.

In fact, from 1954 when the C.I.A. overthrew democracy in Guatemala in order to aid the economic interests of the United Fruit Company, until peace accords were signed more than 40 years later, Guatemala, one of the most beautiful countries on the North American continent, has been the location of continuous small anti-government guerrilla activity and massive repression by the Guatemalan military against its own civilian population. The poor indigenous Mayan people suffered the most. Entire villages were massacred. Men, women, boys and girls, and babies were killed. The government hacked apart, raped, tortured and even burned alive its citizens. No one was safe. More priests and nuns, including US citizens, were murdered during the 1980's in Guatemala than in the rest of the world combined. So there was a particular poignancy to this Eden, this beautiful and peaceful scene in the midst of a country with such an evil recent history.

What was perhaps even more poignant was that these lands were owned by the peasant families who farm them, owned by the campesino farmers themselves. With the help of American Catholics, that community of Mayans had escaped the oligarchy. They not only had land of their own, but they had enough land to make it possible for them to live with dignity. This is not the usual condition for Mayans whose lands were “discovered” and appropriated by the Spanish. Most have plots of land too tiny to support a family.

The average campesino family without land lives a life of near slavery. They work from sun up to sun down, endure harsh treatment, receive starvation wages, and are employed seasonally. They often must be itinerant and are offered lodging, as a group, on cement slabs near vast coffee fincas or ranches. The fincas use methods that are more dangerous to workers – poisonous pesticides – and often methods which produce high yields but are not as sensitive to the care and replenishment of lands. The hard life of the landless

campesino is the reason so many are willing to leave Guatemala for the hard life as undocumented workers abroad.

During my last visit to Guatemala, we visited an American priest who had been in Guatemala for four decades and has worked during that time to help several Mayan communities to develop as communities – development which respected the communities and the traditional way of life of the people, but which moved them from starvation to having enough to feed their families. Each family had a small but decent little house, potable water, and a very basic level of education for their children. The priest and the many groups that help and support his work are constantly raising funds to help the people acquire their own land, dig wells, and have decent housing. Each family farms its own plot of land, raising its own staples of beans and corn. Additionally they raise coffee as a cash crop. At the parish house, we could buy some of the local coffee produced by the neighborhood farmers. Ten years ago, it was priced at \$5 a pound. That is the amount, said the priest, that each farmer needed to get for each pound of coffee if his or her family is to live at a decent, subsistence level in their own community. It isn't very much. It was about half of what we would have paid for a similar grade of gourmet coffee if we were to have bought it down in the U.S. at a gourmet shop, about 7 cents a cup. Of course, the farmer would be lucky to be getting 2 or 3 cents.

So, to save you and me a nickel a cup, maybe a dime in 2009 – a dime that we gladly pay many times over if we get that coffee at a restaurant or a Dunkin Donuts – for a dime a cup children starve, villages drink contaminated water, adults are illiterate, and families disintegrate as members leave to try to find an income elsewhere. For the lack of a dime a cup, the culture of the Mayan people is under threat. For the lack of a dime a cup, fathers and mothers endure the brutal and exploitative conditions of the fincas, the coffee plantations, in hopes of feeding their children. When you hear about international trade, economics, NAFTA, and all the rest, that is the real thing that is being bartered and traded, that is the reality that we are dealing with. Do children starve, do families break up, does a traditional way of life become impossible? Is the oldest culture on the continent to be further destroyed because of our devotion to economic theories and political practices that would deprive that peasant farmer of a dime a cup? Yes. Because of *our* people's devotion to certain economic abstractions, and our unwillingness to seriously question whether the theories on which we operate lead to a positive result, destruction ensues.

For years leftist revolutionary movements flourished because America supported oligarchies who called themselves capitalists rather than see democratic governments create a New Deal in Latin America.

While most of us understand the everyday economic realities *we* live with, the practices, theories, and ideals that shape those realities is something that most of us don't contemplate. I want to say to you that that reaction is normal, understandable, and is even perhaps the reason economics is so often discussed in dull and abstract ways. If something is mystified, we are told to "trust the experts." If something is discussed in

concrete and easy to understand terms, we might question some of the premises, as well as the conclusions.

Here in America we have trusted the experts. We worked hard. We got an education. We put money aside for retirement. Recently we have learned what Guatemalan peasants already knew. Adam Smith's "Invisible Hand of the Marketplace" has become visible – and its middle finger is raised towards the sky. Our economic future has been smashed. Lives here and all over the world have been smashed. And those who suffer most are those who are least responsible. Soviet Communism died in the 80's. American-style Capitalism has taken us over a cliff in the twenty years following. Both systems became extreme and substituted ideology for logic and devotion to the common good.

The economic system that we live under determines the nature of our work, whether we are fed, clothed, and have medical care, and the quality of all these things. It determines where we live, it determines what we are able to do and obtain – travel, education, culture, retirement. It determines the way we use land, how much pollution we must endure, how crowded our living space is, our use of natural resources, how we treat other living beings. It determines the feasibility of having children and these children's quality of life. The political rules that communities and nations set up to govern our economic life have an impact on almost everything we do.

An unfortunate byproduct of the fall of the economic system of the Soviet Union was that it made us overconfident – because *they* failed and they were *our* adversary, our economic system is not just a *better* one but the *best* one possible. It was not a logical assumption. Just because Soviet Communism failed did not mean that we lived in the best of all possible economic worlds. Indeed, some of the wrong assumptions in the Soviet system are also assumptions in market economies like our own. The biggest mistake of the Soviet economy was to substitute planning by bureaucrats for market demands in deciding what should be produced. It now seems pretty clear that producing goods to meet the demand of those who are buying the goods is a better system of allocating resources than is central planning by a bureaucrat who may not even know the product being made or grown.

The basic assumption of free market economics is that if each individual or household acts selfishly, the ultimate outcome will be good. However, even that great apostle of the market, Adam Smith, had several caveats about capitalism.

One was that capitalism tends to destroy itself and its value as a system of allocation by creating monopolies. Thus, he said, in order for the competition of a free market system to continue to be effective, the monopolies must be broken up so that competition can again flourish. In other words, no company should be too big to fail.

A second and even more important warning about capitalism was that its emphasis on selfishness and greed tends to break down the moral behavior necessary for society to operate as something more than a bunch of gangsters, so that there must be very strong efforts within society to sustain and build the moral impulses as a counteraction to

capitalism. *Smith said that the market system was so dangerous that it needed a moral system to restrain it.* In this last few years we have discovered that our system had no such restraints. It is not just Bernie Madoff who has bilked individuals and institutions. It has been our bloated banks and financial institutions who created a kind of Ponzi scheme of their own when they knowingly made loans to people who couldn't afford them, assuming that the housing bubble would never burst. Unlike Madoff, the criminal actions which led to our current economic crisis have not been prosecuted. There needs to be the same adverse consequences when you steal big as when you steal small.

A third and equally important caveat about the free market system is that while the market is *efficient* in *allocating* prices and production, nothing in economic theory suggests that it is *just* in the manner in which it *distributes* wealth. It is *efficient*, but it is not necessarily *just* or *equitable* – indeed, the rich will tend to get richer and the poor to get poorer. This is what has happened in the US. For a capitalistic system to be just and equitable it has to have safeguards and safety nets. Otherwise it becomes an oligarchy, a banana republic, with the few benefitting at the expense of everyone else. There needs to be a realization that economic justice means that everyone who works, and those unable to work, should have enough to live a decent life, and that poverty and wealth are not distributed justly but rather a great deal by chance and some by nefarious means.

There are other assumptions in our current economic system. These are not assumptions that are ignored, rather they are false assumptions. One assumption is that the earth has no physical nor biological limits. That worked okay when there weren't many people in the world and the limits were far away, but in an age where global warming and the depletion of the ozone layer, the poisoning of the oceans, the destruction of the forests that provide the oxygen we breathe, and the disappearance of fossil fuels are all important issues of health and survival that are likely to be faced in our lifetime or the lifetime of our children, it is not only a false but a dangerous assumption.

To go back to our Guatemalan farmer for a minute. The dominant economic theory holds that what is best for him is development – high tech farms using lots of fossil fuels and farm machinery, and sending most of his family, friends, and neighbors to the city to work in factories, using more fossil fuels and creating pollution. This is not what the farmer wants, but it will provide cheaper coffee for less labor, and in our current economic system the costs to the environment and the depletion of natural resources are of no consequence. There have been some attempts at times to factor in those costs, for example by requiring companies to pay to prevent pollution or to clean it up.

But there are many things that are difficult to factor in: How much should a company pay for CO<sub>2</sub> emissions, and how do you measure its share of the cost? Is it fair to get energy today from a power plant that we estimate will cause health problems or death to future generations who have received no benefit from it? How can today's economy properly compensate future generations for the present greed which will leave resources scarce and the land depleted? We all know that it would be an ecological disaster if everyone in the world consumed at the level that you and I do. It is not to be desired to have a billion Chinese driving around in SUV's – they would choke to death in short

order – yet the economic assumptions on which international development aid operates is that all economies should be like our own.

Another problem with modern economics is its assumption is that the only things of value are what are bought and sold. Modern economists assume that the more goods we have and the higher our GNP, the better off we are. This is demonstrably not true.

It seems that *within* a society those with more *are* happier than those with less, but the people of rich countries are no happier than countries with lower consumption. I saw this in a concrete way in my visit to Guatemala. Although my Guatemalan farmer with his own plot of land -- Cesar, we'll call him -- earns much less than the ghetto dweller in the United States and has many fewer things, I believe he is better off. Cesar lives without fear of crime. He, his wife, and his children could roam freely, now that his country was no longer at war. Unlike his cousin in the Bronx whose children all have allergies due to heavy pollution, Cesar and his family breath clean air and drink clean water.

Unlike the increasing isolation of poor, city-dwelling Americans, Cesar has brothers, sisters, aunts, uncles, and cousins living nearby, as well as long-time friends who will lend a helping hand in an emergency. Cesar doesn't have as many clothes as his American cousin. Nor does his wife use a washing machine. Instead she washes clothes and dishes in communal washtubs down the way with other ladies of the village, telling stories and chatting while they work.

Cesar's family doesn't use much fuel beyond the wood they use to boil water and do the cooking. They don't buy much beyond the necessities. They generate less trash in two months than their poor American cousin does in a week. But the many things that Cesar has and his American cousin lacks – safety; a beautiful, clean, healthy environment in which to live; a supportive community and nourishing social relationships – these things weigh nothing when we compare Cesar's economic well being with his poor American cousin in the Bronx. According to the economic philosophy by which *we* live, we are doing Cesar a favor by encouraging the Guatemalan government to adopt policies to take Cesar away from subsistence farming and send him to Guatemala City, where his income will be higher than on the farm, but where he will live in a cramped apartment, in a polluted city, with one of the continent's highest crime rates, and where he has no friends or family. Unfortunately, since I last visited Cesar the demand for drugs by Americans has begun to penetrate the Guatemalan countryside, and soon his advantages over his American cousins may lessen.

For that is yet another assumption of our economic system, it assumes that human beings act completely as self-interested individuals. It assumes we are never benevolent nor malevolent. It assumes we don't care about future generations. It assumes we are not part of communities or of nations, we have no larger loyalties. Thus a decision you or I might make to reject higher pay because we would have to leave our community would be seen as outside the parameters of rational behavior because, according to market economics, rational behavior is to go after as much stuff as you can get, and things only count as "stuff" if you can buy or sell them.

According to market economics, Adam and Eve lived in absolute misery in Eden because they had nothing of value, since things are only of value if they are bought and sold. Relationships cannot be bought and sold, and so our economic system does not take the value of strong communities into account in its decision making. Locating a plant in one place or another is looked at only in terms of the individual jobs it creates or takes away, not in terms of what it adds or subtracts from a community. The relocation of a plant is mourned in terms of individual job loss, but only marginally in terms of the destruction of communities and the breakup of extended families.

We have assumed that a system based on individual selfishness and greed will create the common good. We have assumed that there are no biological or physical limits to economic growth. We have assumed that things that cannot be bought and sold should not be factored in when assessing economic and social well being. We think of human beings only as individuals and assume there is no such thing as community ties or community well being. Our system assumes we are incapable of being satisfied with what we have and that we will always want more stuff. The errors in these assumptions have had dire social and environmental consequences, first for the poor and now for the middle class.

Despite the fact that market economics says that it is a *bad* thing for us to pay a dime more for coffee, intuitively I know that it would be a good thing.

It would be a good thing if the millions of subsistence farmers the world over could earn enough from their own land to live a modest but decent life. They themselves would be happier living in their traditional ways in their traditional communities than to be forced from their homes to work in factories or beg on the streets of large, polluted, crime-ridden cities. They would impose little burden on the world environment using modest and replenishable amounts of natural resources. Their families would be more stable. Their culture would be preserved. The economists who tell us that these things are not as important as being able to buy coffee for a few cents less are just plain wrong. That is why we sell free trade coffee downstairs. We want those farmers to have a decent life.

I suggest, rather, that we have to rethink our economic assumptions so that they are in closer harmony with the physical and biological limits of the earth and the moral values held by most of us, values that do have some concern for the common good as well as for ourselves, values that go beyond greed and may even occasionally be informed by benevolence. We should not allow ourselves to be cowed into silence by economic wizards.

Look where that silence has gotten us. We need to stop arguing ideology and whether something is free market or socialistic. We need to start thinking about economics not as an end, but as a means by which we can either reach a future that lifts up the common good or a future which destroys it. Right now there is enough wealth in this world that, with modest adjustments, no one need be destitute. Cesar showed us that for less than a dime more for a cup of coffee, an entire people could live decently. With sensible

regulation and transparency and a culture that values the common good over ideology, our countrymen and women could live a better life.

My little glimpse of Eden was enough to remind me that it is not an endless supply of "stuff" that will lead us to paradise and that, with only a bit of change, even a poor farmer can live in Eden.