NETWORKS, ETHICS, AND ECONOMIC VALUES

Faith-Based Business and the Coffee Trade in Central America

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Abstract: In an era of increasing economic liberalization, much has been written on the challenges facing alternative trade movements. Religion is often overlooked in such research, and I examine how the faith identity of one set of actors influenced their involvement in the Central American coffee trade. On the basis of ethnographic research in Nicaragua, I examine how religious networks, ethics, and values shaped the economic behaviors of an evangelical Christian coffee network. Ultimately, I find religion had a mixed impact. Local networks brought actors together in a common mission for economic justice, although transnational connections mattered little beyond providing aid. Although religious' ethics promoted a sense of fairness, more radical was a focus on transparency, which altered economic relationships among those in the coffee chain. Finally, actors leveraged their spiritual vision to challenge market dynamics and redefine the coffee product, although this vision both constrained and advanced efforts toward true empowerment of farmers.

In a small conference room in El Salvador, coffee producers listened to the conversion testimony of a successful businessman. The coffee exporter was sharing his story not with coreligionists but with business colleagues interested in new coffee market opportunities. This was not merely an evangelism tactic: for the speaker, his personal history and faith were intimately connected with his business mission and practices. Though not part of the fair-trade network (Fairtrade Labelling Organizations International), his exporting company was involved in alternative market structures as it sought to economically assist small farmers in the country. Given the importance of coffee to the Central American region, the economic inequality inherent in the Latin American coffee trade, and the highly religious composition of the population, how faith actors connect religion and economics has important ramifications.

In this article, I examine the role religion plays in the lives of a set of evangelical Nicaraguan coffee actors, with a particular focus on their market involvement. Ultimately, religion had a mixed impact on their efforts toward greater economic

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justice. First, religious networks were important: local religious networks both created and facilitated the strategies of these actors. Transnational religious networks mattered at an economic level mostly in terms of aid, although other nonreligious transnational connections were vital for the coffee trade. Yet religious actors were bounded by their national citizenship more than expected, and beyond aid, there were few significant economic connections internationally. Second, religious ethics translated into religious emphases for the business. The actors supported ecumenical and community development, and they promoted corporate business goals of transparency and fairness. Finally, their religious values and identity challenged the traditional market system in ways parallel to alternative trade movements, as they created new capabilities among farmers and redefined the coffee product. Efforts toward constructing new power dynamics among coffee actors were both constrained and enhanced by these same religious values.

THE COFFEE MARKET

Coffee has been a central commodity exported by Latin America and one that has had a long history of state engagement. Beginning in the 1960s, a set of International Coffee Agreements (ICAs) emerged to regulate prices and supply. Developed at the prodding of Brazil and other southern states, and established by the International Coffee Organization (ICO), such agreements increased coffee prices and production (Baffes, Lewis, and Varangis 2005; Bates 1997; Talbot 2004). Coffee prices experienced a significant drop when the last ICA unraveled in 1989, and states lost political tools to manipulate coffee prices; as a result, farmers have witnessed devastatingly low prices and declining profits, causing many coffee producers to leave their farms (Ponte 2001, Talbot 2004). For example, Ponte (2001) noted that profits among producers decreased from 20 percent of sales in the 1970s and 1980s to 13 percent in the 1990s, whereas those in consuming countries saw an increase in profits. Although consuming and producing countries received about equal amounts of the surplus from coffee sales in the early 1970s and mid-1980s, post-ICA, the surplus of producers dropped to almost zero (Talbot 2004).

Changes in economic liberalization were responsible for the breakdown of the ICA and for the rise in power and profits accorded to transnational corporations (TNCs) inside and outside the coffee industry. Dicken (1998) attributes their growing power in global trade in the latter part of the century to their geographic and political flexibility and their ability to coordinate production. As is the case with many other agricultural commodities, TNCs dominate the coffee field (Raynolds 1994), largely because of their economic resources and ability to deal with the financial risks in agriculture markets.[1] Such changes in economic liberalization have been associated with the decreased strength of welfare states and lessened

1. Weather is perhaps one of the biggest risks in the market, with economists attributing much of the price volatility in the coffee market to such conditions (Baffes, Lewis, and Varangis 2005).

opportunities for states to intervene or support small farmers in times of economic struggles.

In addition to economic liberalization, changes in land ownership are also part of coffee's complicated history in Latin America. Agro-elites have dominated the coffee business throughout time (Bates 1997); in Nicaragua, for example, private ownership of lands displaced communal practices in the early 1800s (Paige 1997). New cooperatives were formed as agro-elites lost some of their lands in civil war struggles. Although many small farmers in Central America are well acquainted with coffee-harvesting practices, as relatively new landowners, they are less knowledgeable about business practices. These issues affect the well-being of the whole region—estimates are that more than 25 percent of the labor force in Central America is involved in the coffee industry, and 41 percent in Nicaragua specifically (Baffes, Lewis, and Varangis 2005).

ALTERNATIVE TRADE

The fair-trade movement has been one economic response to the challenges small farmers face throughout the agricultural world. Concerns over fair trade arose with discussions over stockpiling and protectionism in the aftermath of World War I (Fridell 2007, 25). Early efforts focused on critiquing the global power systems and calling for the increased power of southern states in the international trading system. In addition to these calls for structural change, organizations like Oxfam and the Mennonite Central Committee imported crafts and commodities for sale as early as the 1940s. The first alternative trade network formed in 1964 in the interest of assisting southern producers, and coffee was first introduced into the system in 1973 (Fridell 2007).

The most prominent alternative network today is the umbrella group Fairtrade Labelling Organizations International (FLO), which came into existence in its current form in 1997. The year 1988 was considered a defining moment for alternative trade, when the nongovernmental organization (NGO) Max Havelaar developed a label to identify fair-trade goods, and coffee became the first certified fair-trade product (Jaffee 2007).

With FLO, farmers receive higher prices for their coffee and financing of the product before the sale. Farmers are part of democratic cooperatives. The system brings producers and buyers into more direct network relationships, promotes democratic governance, and connects the commodity with the production process (for a much more thorough analysis of the structure and rules of the FLO system, see Murray, Raynolds, and Taylor 2006). In an evaluation of Mexican and Central American cooperatives, researchers found that FLO cooperatives experienced benefits such as higher prices, improved product quality, new economic networks, and increased self-esteem (Murray, Raynolds, and Taylor 2006). Even as several find the economic impacts are minimal, it may sometimes mean the difference as to whether farmers are able to survive or must leave their farms (Hudson and Hudson 2003; Jaffee 2007).

A number of other alternative labels have emerged from voluntary organizations, and it is estimated that between 6 percent and 8 percent of coffee traded in the market is nontraditional: fair trade, organic, eco-friendly, or specialty (Baffes, Lewis, and Varangis 2005). While increasing market opportunities, the introduction of different actors has also increased the different interests that people bring to the network (Renard 1999), led to confusion over what different labels represent, and caused a weakening of the original aims of the movement (Hudson and Hudson 2003; Jaffee 2007). The actors profiled in this article were not part of FLO, but they were involved in alternative labeling practices dealing with environmental and social practices, with most of their coffee sold in the specialty markets.

Unlike in the earlier era, alternative trade networks today focus less on state-centered development and incorporate a number of for-profit actors. Raynolds (2012) notes that these certification efforts are a type of social regulation, outside traditional state and corporate actors. Jaffee (2007) differentiates the fair-trade network from the movement. He suggests that early actors in the movement were dealing with both development and solidarity concerns, and the creation of certification led to the first fair-trade network (Jaffee 2007). The FLO network now largely operates under the capitalist market system, with its central goal being to mitigate some of the negative aspects of globalization for certain marginalized actors by increasing their capability to operate in the current system (Fridell 2007). The inclusion of for-profit actors—companies such as Starbucks that sell some FLO products—has allowed the network to expand the market available to producers; even so, the demand from farmers for fair-trade markets exceeds that of consumers. The increase in labeling initiatives may help those outside official fair-trade networks to find higher prices.

This approach has created questions about the purpose and mission behind fair trade (Renard 2005; Fridell 2007; Jaffee 2007). Some question the focus on small farmers and democracy, instead wanting to concentrate on raising prices for large and small farms alike;[2] some would argue that the movement has been co-opted by corporate actors wanting to downplay the importance of direct relationships and embedded transactions (Jaffee 2012). Yet others have protested the evolution of the movement into wider-reaching networks, still seeking to change the structures that exist within the market.[3] In both official FLO networks and other alternative trade measures, questions exist about the role that those in the global South truly play in the decision-making process. Research on FLO cooperatives has found that there is a lack of knowledge about fair trade throughout many cooperatives in Latin America; many farmers belonging to fair-trade cooperatives are unable to articulate what fair trade means or how such networks work (Murray, Raynolds, and Taylor 2006; Lyon 2006). Coffee farmers, including those connected with FLO, still lack true power in their economic transactions, and guiding decisions are made by northern actors (Jaffee 2007).

2. At the end of 2011, Fair Trade USA resigned from FLO, largely because Fair Trade USA is opting to work with large estates and plantation owners instead of just small farmers and cooperatives.

3. Fridell (2007) provides a good analysis of the different paradigms that actors have regarding fair trade and the market today.

NETWORKS

Alternative trade networks, especially in their beginning stages, hoped that personal connections would change the way that people viewed markets and their subsequent behavior within them. Economic sociologists have argued that economic actors are best viewed as embedded in larger networks rather than as independent actors. Granovetter's (1985) influential study of social ties found that social relationships determine both with whom and how we trade. Relationships and how people think of the moral worth of the other have implications for what economic behavior is acceptable (Massengill and Reynolds 2010). Relationships and evaluations of individual worth can dictate whether we see economic transactions as gifts, entitlements, or payments (Zelizer 1994). This has long-term economic implications, as what people are due is tied to these relationships and evaluations.

The erosion of direct relationships in trade has facilitated the decreased power and prices afforded to coffee farmers. Farmers become more disconnected from the product and calculations of value as markets mediate transactions; as a result, the commodity fetishism that Marx so strongly critiqued increases (Fridell 2007; Lyon 2006). Fair trade has sought to reverse this process through connecting consumers and producers again. An exchange of more information between producers and consumers leads to more knowledge about the production process and is critical to the fair-trade movement (Hudson and Hudson 2003; Lyon 2006). Some have suggested that such direct relationships have the potential to change one's consumer mentality; that is, in addition to causing consumers to pay higher or fairer prices, focusing on relationships has the potential to involve people in the lives of coffee producers at a political level (Hudson and Hudson 2003, 422).

Religious communities have been recognized for the strength of their networks. As transnational communities, they have been found to provide a sense of personal relationships to people living across borders, and they connect people across borders because of their global nature (Lechner and Boli 2005). Smith's (1996) work on the Central American peace movement in the United States highlights how trips to Nicaragua and El Salvador introduced Americans to the situations of those living in the midst of civil war, thus recruiting people to the movement. Transnational relationships allowed for the transfer of information about conditions (for both those who traveled and their networks back home). Going back further in history to the time of colonialism, research on the missionary movement has shown that Western missionaries were often privy to different information from the traditional news sources. As a result, religious communities were provoked to advocacy in protesting cases of slavery and injustice (Woodberry 2006).

One hypothesis is that religious networks could facilitate connections between sellers and buyers, prompting consumers to view producers as part of their community, thus increasing a sense of responsibility and fairness due them. This in part explains the early involvement of groups like the Mennonite Central Committee in fair trade and the presence of religious groups (with other nongovernmental organizations) in the 1968 UN Conference on Trade and Development. As Jaffee (2007) has noted, religious groups were central in the United States and Europe in initially trying to establish alternative markets for disadvantaged or marginalized producers to sell goods. Such church activity, he argues, helped alternative trade as a movement to develop.

ETHICS AND VALUES

In addition to the role of networks, religious communities serve as a source of values and ethics for many. Zelizer (2007, 11) has examined how ethics more generally shape the decisions of actors in the market, arguing that ethical codes "apply categories, procedures, and rules to some specific group of actors." Most often these codes are about reducing personal influence in business matters or about behaviors and moral actions in accepted market structures. Concerns over proper business ethics have led to an increase in the popularity of efforts of corporate social responsibility (CSR). Yet initial concerns over CSR focused on the ethical failings of corporations (Maloni and Brown 2006). Although it is expanding into issues of development and appropriate social concern, CSR is more about holding companies responsible for decisions that could cause harm.

For religious communities, a call to act ethically has often been tied to mandates to care for the poor and protect the marginalized. The communities are involved in humanitarian giving, and Wuthnow and Offutt (2008) have estimated that at least $2.3 billion dollars annually was transferred overseas from religious humanitarian efforts (and this considers only the largest twenty-five organizations). The discourse of these religious groups highlights altruism and giving, especially among more evangelical actors (Kniss and Campbell 1997). Religion is a major source of aid transfers from the North to the South.

Although religious organizations are often central in aid and development, they are less frequently a driving force behind critical market evaluations. When they are, religious groups with a this-worldly emphasis are more likely to engage in thinking critically about the market (Hart 1992). Religious ideals of justice and community are central for those engaged in economic justice efforts (Hart 1992; Wood 2002; Davis and Robinson 1999). However, there are no clear links between specific theology and market views (Hart 1992). In fact, other social factors—such as economic position and race—are often more central than theology in predicting the economic views of religious communities (Wald and Calhoun-Brown 2007).

When religious actors have prompted critical evaluation of current systems, they have been a source of important social change. Such communities were central in the civil rights movement (Morris 1984) and the Central American peace movement (Smith 1996). In Latin America, liberation theologians stand out for their role in leading societal change, as they blend theology, politics, and economics in their theological preferential option for the poor. Often linked with dependency theorists, such movements were vital for protests and civil struggles that occurred throughout the region (Smith 1991).

The evangelical church in Latin America was born in such a context, and today it constitutes a growing percentage of the population: in Central America, it is estimated that between 10 and 15 percent of the population belongs to evangelical denominations (World Christian Database 2010). Freston (2001) has found that even though these denominations lack a coherent political or economic identity, they are usually equally, if not more, supportive of economically progressive efforts than their peers. Research on Nicaragua has specifically found that evangelicals as a group supported the Sandinistas and the revolution at the same rates as other groups in the country (Smith and Haas 1997). Miller and Yamamori (2007), in describing perhaps the largest subset of evangelical actors in the South (Pentecostals), noted that the theology that sees people in the image of God has often prompted attention to issues of rights for the marginalized. Such evidence suggests that evangelicalism, especially in the South, may provide resources for those working to change current economic structures.

THE FAITH-BASED COFFEE NETWORK

In this article, I follow a Nicaraguan coffee-exporting business and two of its partners—an international development organization and a local farmers' association. Solid Grounds (SG) is a Christian coffee-milling and import facility selling high-altitude and gourmet coffee.[4] Currently led by a Nicaraguan with ties to evangelical institutions in the United States, the group has taken on a Christian ecumenical identity largely due to the director's religious practices and discourse. Solid Grounds processes, exports, and commercializes coffee through three mills in Nicaragua, exporting more than four million pounds of coffee per year. Despite a lack of inclusion in the official FLO system because of a closed registry at the time, the prices SG received from buyers were more than 35 percent higher than traditional coffee prices at the time of interviews, and farmers selling their coffee through SG often received double the price for the coffee than they would in traditional markets, although they were paid only after exportation.

The Farmer's Community Association (FCA) is a group that began in the early 1990s. Run by an executive director and other local staff, it has regional offices throughout Nicaragua. The FCA provides loans and technical assistance to agricultural workers, and it extends loans and credit in preharvest and harvesting times. Many of these loan recipients would have a hard time receiving such credit elsewhere. Further, the FCA trains farmers and provides agricultural assistance, often to improve product quality. Many of the farmers who meet quality requirements sell their coffee to SG.

Development Partners is an international Christian relief and development NGO that works alongside SG and FCA, providing much of the funding that ties the two together. In Central America, its work has centered on agricultural development and is implemented largely through local groups. Staffed mostly by Nicaraguans, the annual operating budget in the country was about US$1 million

4. At the request of one of the groups, I have changed the names of all three organizations.

at the time of the study. It has given loans to SG, and FCA has received more than $1.5 million in capital from Development Partners.

The primary research was conducted through participant observation and informant interviews that occurred from June to August 2004. Interviews primarily took place in Nicaragua, although some occurred in El Salvador. I spent time with the three organizations listed above, and I interviewed twenty informants in leadership positions in these three organizations, as well as five farmers working with FCA. I attended internal meetings between the three organizations and a public meeting of SG. I visited the different coffee mills and business offices (national and local). Interviews were conducted in both English and Spanish, depending on the preference of the interviewee. I consulted the records of these organizations, such as credit manuals, organization reports, and records of sales. To complement this analysis, I also spoke with leaders of organizations outside of the network associated with fair-trade cooperatives and TNCs, and I attended several meetings of FLO network actors.

ANALYSIS: NETWORKS, ETHICS, AND MARKET VALUES

Networks

Religious networks had a variety of economic impacts on SG. Local religious networks were crucial in creating an alternative business model for SG and its partners, and transnational religious networks provided much of the financing. However, these transnational networks also fell short, and beyond aid, they were not critical in economic decisions. The local religious connections among actors influenced their economic transactions. Religion prompted groups and individuals to be invested in the welfare of local partners, but it also created pressures that limited the power of those same partners.

Local networks / Beyond size and wealth, one of the most notable differences between SG and other exporters was the networked character of the organization. It is not that TNCs did not have partners, but strong ties with local farmers were not as vital to these organizations. From the beginning, SG developed relationships with Development Partners and FCA that were critical to its continued success. For farmers, being part of the network provided access to a variety of resources, such as agricultural assistance and a venue for exportation.

They are three autonomous organizations; FCA makes coffee contracts with exporters and buyers including (but not limited to) SG, and SG works with other individual farmers and groups. Both SG and FCA are committed to this business relationship; FCA often sells as much coffee as possible to SG before looking for other venues, and SG sees FCA farmers as their primary clients.[5] These relation-

5. As SG has concentrated on specialty coffee markets, it did not offer high prices for regular coffee. Those with free-trade connections often preferred other alternatives when selling regular (nonspecialty) coffee. Not all coffee produced by FCA farmers is of the requisite quality for specialty markets.

ships mean that it was sometimes difficult to draw clear boundaries between the various groups, as evidenced by the confusion among farmers in separating the different entities. One small farmer who had contracts with both a fair-trade cooperative and SG spoke of compensation from FCA, even though his payments came from SG. Another farmer mentioned that SG had provided agricultural help for his crop, although the assistance came from FCA staff. Yet another discussed the gift of chickens from Development Partners when questioned about support she had received from SG and FCA. The director of SG acknowledged that success was dependent on the other two partners, and financing trails among the three organizations revealed this to be the case.

Network meetings brought together farmers and leaders from each group. In one such meeting the group debated the type of certification needed, how to cover the costs of certification, and who would pay for different parts of this process. Members publicly discussed concerns about various aspects of the business, reaching consensus on the issues on the table. Talking strategy is a somewhat typical business practice, although leading together with partners is more difficult and less common. Development Partners plays the central role here, with its focus on building up the other two network partners. A cooperative leader in FCA mentioned that it was his trust in the director of SG—and the director's commitment to community—that prompted him to first work with SG. As he stated in an interview, the director of SG saw this joint leadership as a relationship of solidarity: "We have formed alliances . . . but they should be called solidarity groups, working together for a common purpose which is alleviating poverty, suffering, and misery. Some people have a higher understanding of the market, some people have the farms or the groups of farmers associated or affiliated in cooperatives or associations. . . . The reason why we made these alliances is because we knew that alliances work."

Farmers and some members of FCA often wanted more from SG, but they still expressed appreciation of the network and their relationship with SG. To be fair, there were several farmers who viewed SG solely as a business partner and typical organization. But there was still a high degree of trust. In the early stages of SG, there was some confusion about the loss of volume during processing. Part of this was because of specialty-coffee processing practices (new to some farmers); part was because of initial complications on the part of the SG mill. The FCA technician in the area noted that he "trusted the director [of the mill] to fix the deficiencies in the production process" in response to these concerns. The farmers noted that Development Partners and SG were trying to help. They mentioned the training that they received from FCA and the difference it made—training often not available even to those farmers in the free-trade cooperatives.

For leaders in FCA, this network meant that they trusted SG but still retained their autonomy to make economic contracts. A local manager of an FCA office noted that they seek out the best contracts for their farmers, whether or not those are with SG. Another local manager voiced his skepticism over some of the current bargaining with SG. Yet in both of these cases, the respondents also argued that FCA should stay in close relationship with SG. In the second case, the manager asserted that the director of SG and FCA would work out a contract benefiting both parties. This seemed to be echoed by the FCA director himself, who summarized his attitude by declaring "my heart tells me to go with SG." He expressed a shared commitment that united these partners.

While having many positive benefits, the linkages among these different groups also had undesirable consequences for members. Primary among these is a problem dealt with by other religious groups and care workers: employees are not just at a job where they are compensated for tasks; they are expected to be invested beyond their job description. The manager of one of the mills went to school with the director. Highly skilled in what he does, he reported being underpaid about 30 percent less than his market value. He attributed his lack of a fair salary (a fact confirmed by the director of Development Partners) to this notion that the work was a mission. To take a different example, trust and verbal commitments sometimes replaced proper business contracts. A business office planned in the United States, run by coreligionists, never came to fruition. Although both groups wanted to assist farmers and sell SG coffee, they had different business and financial expectations that could not be reconciled.

International economic connections / Solid Grounds was well connected within evangelical networks. The director of SG ran the Young Life camp in the country and attended three different evangelical Christian higher-education institutions in the United States. Solid Grounds had linkages with the Assemblies of God, and Development Partners is the development arm of a major evangelical organization. Funds from the United States were channeled through Development Partners to provide essential aid to SG and FCA. Churches in North America send short-term mission teams to Central America frequently, given the region's proximity and relationship with the United States, and each of the three groups has been involved in hosting teams. Short-term missions meant that farmers benefited from different development projects as well, most frequently water projects and medical clinics.

Though an important source of economic aid, there was no evidence that networks equated to any real change in trade relationships or different behaviors by northern Christians in their roles as consumers or citizens. As noted earlier, international connections have been critical to alternative trade networks and more personalized trading relationships. Yet SG struggled to find markets among its coreligionists in the States, and annually it sold less than 5 percent of its coffee to US faith-based importers. The United States has a strong evangelical community that consumes a lot of coffee, but SG failed to find a significant evangelical market for its coffee. The director found that it was easier to solicit aid donations from evangelicals in the United States than to convince coreligionists of the need to pay fairer prices for coffee. Solid Grounds struggled to pay farmers up-front and would have benefited from prefinancing offered by fair-trade networks. As one cooperative director noted, "They [Development Partners and SG] pay a good price for coffee, but they pay later, and farmers need the money sooner."

Leaders interviewed from all three groups displayed discontentment with churches in the United States for not sharing this concern to see new relationships in the market. The director of SG claimed that churches in the United States concentrate on personal piety at the expense of being active in the world, which makes it difficult to mobilize churches. On the basis of his experience in the United States, he attributes the lack of reception of SG to a different evangelical understanding of poverty and the market:

> The conservative side of the church [in the United States] lately has become more aware of social issues . . . yet they are afraid that if they become more socially oriented, that they will lose the essence and the legitimateness of the gospel, which is a self-pious life. I don't sin because I don't steal. I don't commit adultery. I don't lie. And yet outside of their parochial way of living, here in Nicaragua or Zimbabwe or Kenya or Honduras, there are people that belong also to the same body of Christ who are also born-again believers who have nothing, who are very poor, and my question is, should they help those? I'm trying to do the social stuff and the environmental stuff through the power of the gospel, which is Christ himself.

Religion is also part of SG's relationships within nonreligious international networks, and such buyers have been receptive to the social and spiritual mission of SG. In the meeting mentioned at the start of this article, after the director of SG provided his personal testimony, the European coffee importer present, a self-described secular, responded, "I can't follow that," before declaring his respect for the director and his faith. Likewise, other nonreligious or nominally religious buyers have discussed faith matters with the director, as witnessed from personal communications. Ironically, when altered economic relationships and religion were present together, it was more likely to be in the presence of nonreligious international networks.

Ethics

The SG business has ethical commitments that have separated its practices from others in the coffee field. Personal integrity, public expressions of faith, and support of the broader faith community were important to SG. At a social level, its business ethic entailed behaving responsibly in the market by increasing transparency and treating workers more fairly. The director drove this religious ethic of SG, although Development Partners and FCA were founded as Christian organizations. At SG there were weekly staff devotional times, at which employees shared faith reflections with one another. One staff member at SG mentioned the devotional time, as well as monetary gifts to Young Life and scholarships to students in the community, as evidence that SG was a Christian company. A member of FCA mentioned the involvement of his staff in local churches to make a similar claim.

Although the director of SG is an evangelical, the other staff members were a combination of evangelical, Catholic, and nonreligious. Nicaragua still suffers from civil war wounds, and the people I spoke with lauded the fact that Protestants, Catholics, and the nominally religious were incorporated into the SG framework. One cooperative director noted that "the country is still very politically divided, and one of the only neutral arenas is the faith community." Two local FCA directors also noted the importance of FCA' and SG's ecumenical nature in this divisive context, describing a central Christian characteristic of the SG as its "love for peace." None of the interviewees noted feeling pressure in their faith identity or commitments, even the most nominal and nonpracticing of the interviewees.[6]

Solid Grounds gave money and time back to the community. It supported both Catholic and Protestant ministries in the city, especially those that worked with youth. Philanthropic giving has been a popular way that many large TNCs, like Target and Starbucks, have tried to become more "socially responsible." One could ask whether the behavior of SG is any different. However, given the relatively small size of SG and its lack of profit, the contributions are significant. In the first seven years, when SG had no profit, it still gave money to different ministries in the country. In the middle of the interview period, I witnessed a group of SG employees not spending time in the office but fixing potholes in the roads in the city, ones greatly in need of repair. Although it is hard to assess the motivation for the repairs, SG was giving its time and the costs of materials to help the community.

Beyond philanthropy and religious devotion, religious ethics also meant that the director sought spiritual direction for his company. One example deals with the critical decisions of the director regarding SG's future. He fasts and prays at times over such decisions, sometimes leaving management of the company to others during the process. For example, he particularly sought God's direction in thinking about the office in the United States and how to proceed with different coffee contracts. The director and others recognized this practice in SG as part of the business.

Two more concrete economic practices guided by the faith commitments of SG were transparency and fair treatment of workers. A regional director of FCA mentioned transparency as one of the central Christian aspects about SG, as did the director of a small farmers' cooperative. A leader in FCA argued that these were crucial to its faith identity: "I believe that what we are able to do as a farmers' association is to introduce values—Christian values, Christian ethics, transparency, and stewardship. We already have a focus on education to give attention to these issues." Transparency was connected to honesty, truth, and accountability—all values that the sacred teachings of most Christian communities demand. When connected with the relationships among members of this coffee network, transparency was considered a requisite for authentic relationships.

Both SG and FCA provided network partners with information in their quest to be transparent. For example, one small cooperative that was part of FCA mentioned that SG had a standing offer to allow farmers access to accounting records. That is, clients could find out how much SG was spending on processing and

6. In a country where 96 percent of the population identifies as Christian (World Christian Database 2010), it is not surprising that no interviewees noted a strong antireligious identity, even as some were hesitant to call themselves religious, instead preferring the label of "nominal" Catholics or Christians.

exporting costs, the price that buyers were paying for processed coffee, and the profits being retained by the company. This cooperative also noted that it did not have the same access to the financial records of TNCs and fair-trade cooperatives. Furthermore, SG provided bills of sale to all its farmers with a listing of final prices and all costs incurred during processing.

Although one could correctly argue that transparency as an ethical value is not confined to religious communities, for this network, transparency was guided by religious faith. Such efforts distinguished the network not only from other companies but also from some of the other alternative trade initiatives around them. In commodity chains in general, maximization of profit often translates into a lack of transparency. Ponte (2002) confirmed that an information gap exists for many farmers in specialty markets regarding the prices they receive and the prices paid for exported coffee. For the farmers working with fair-trade cooperatives and SG, they admitted knowing less about the financial details of sales to the free-trade cooperatives and TNCs. The TNCs often buy coffee from the farmer for a set price, as do many free-trade cooperatives.

Those farmers working with SG knew more about how profit was being distributed. Several of the complaints by farmers against SG depended on this information, and one milling manager explained that for many of these farmers, the numbers could be hard to process precisely because they had not seen this information with other coffee transactions. For example, some farmers expressed that export fees of $7 per hundred pounds of coffee were too high. Others voiced concerns over the loss of volume in processing. However, without transparency in what costs were, farmers would not have known the breakdown of what they were paying for coffee processing and therefore would not have been able to critique and challenge the company.

The company also articulated fair treatment of workers as a central ethic, much like most alternative labeling initiatives. Leaders in each of the organizations placed a priority on paying and guaranteeing fair prices and wages, as well as protecting the environment. In addition to emphasizing fair coffee prices for small farmers, they also worked for better wages for coffee laborers. Both SG and the rest of the network have programs to help make these farms more socially responsible; for example, SG promotes a certification system with screens for wage payments to workers. With the help of FCA, SG has hosted educational programs and seminars for large farmers to assist them in improving social conditions for workers. Even as farmers had criticisms of SG, they affirmed the positive intent of SG. As a coffee producer suggested when comparing her interactions with SG and a larger TNC in the country, "They are not so greedy in their rates."

Other coffee actors in Nicaragua shared a commitment to the fair treatment of workers. Managers with one of the large TNCs I spoke with asserted that they were concerned with "sustainable social life, the environment, and economic life," and they expressed a commitment to helping producers find high prices. One of their central ways of promoting sustainability was through development projects, financed in part through European aid agencies. Arguably, the fair-trade movement may have prompted these practices in both SG and the TNCs. However, SG saw this practice tied to its spiritual mission. As the director noted, SG had a "heavy-duty spiritual mission alongside a heavy-duty social mission" that centered on workers.

Market Values

Though important, such ethical commitments do not fundamentally challenge the structures of the market itself. As Fourcade and Healy (2007) have suggested, the market itself is a fundamentally moral enterprise, with the foundations of the market based on moral mechanisms and evaluations. Fridell (2007) lamented the fact that many alternative trade initiatives often seek mainly to empower people in the current market, failing to critique and change market paradigms. As noted already, one TNC was working to become more environmentally and socially responsible, although it still endorsed the dominant market paradigms. Although SG in many ways accepted the coffee commodity chains in which it was embedded, it did try to challenge the power hierarchy of modern markets and the current capitalist notion of commodities.

For the director of SG, the central social mission was to increase the value that farmers received and could contribute to the coffee process. As one local FCA director described, the Christian character of SG was manifested in the way "it provides the idea of hope within the organization," prompting a vision of increased opportunities. Such a mission consisted of training workers and providing outlets, empowering them in their transactions, and redefining the coffee product. Each of these concepts has been critical to the fair-trade movement, although with labeling initiatives, the focus has shifted primarily toward higher prices (Jaffee 2007).

Increasing the value-added work of the producer increases the ability of farmers to receive higher payments and to garner more profits. Both FCA and SG trained farmers to harvest coffee for export in the specialty market. The farmers universally recognized that they could produce a high-quality product and that SG provided a venue for them to sell such a product. Farmers mentioned that with SG, high-quality coffee received higher prices, whereas with fair trade and TNCs, they usually just received one price for all their coffee.[7] As a result, several farmers mentioned that when their coffee failed to meet SG's quality standards, it was then sold to their fair-trade cooperative or a TNC.

In increasing capabilities to produce a high-quality product, SG increased not just the technical ability of workers but also their ability to succeed in business transactions, an oft-overlooked aspect of the process. One cooperative leader noted that "other dry mills won't deal directly with small farmers," pointing to the lack of power most farmers currently have in business dealings. Also, SG sought to expand market opportunities. For example, a government official charged with increasing Nicaragua's competitive role in agricultural markets noted how SG is working to bring more of the value-added work into the country, expanding export possibilities beyond green beans.

7. Both fair-trade cooperatives and TNCs would have some price differentials, although they were dependent more on type of coffee than quality levels. Farmers were noting that SG had higher standards for what quality levels it would accept.

Learning to deal with the exporter in a more equal relationship has come with challenges. A technician with FCA stated, "Farmers don't like the requirements of Solid Grounds with quality. And the fact that some coffee is 'lost.' But Solid Grounds has been good in dealing with the situation." Many of these farmers never dealt directly with the exporter before and had questions and criticisms about the process. And although SG has made business mistakes, in many cases the answer to these issues has been more information and communication with farmers about coffee processes. Such interactions ultimately increase the farmers' knowledge base of the coffee business.

The nature of FCA also gave more power to the farmers through collective membership. Being able to commit a large amount of a desired product granted the association some bargaining power. A manager of one of the local FCA offices noted, "Because we are large, we have a voice as we represent producers." Companies would engage in negotiations with them, in a way they would not with individual small farmers. In my meeting with a large TNC, the leaders acknowledged that they were courting the business of FCA. They credited them with an ability to bargain at the table and to produce such a consistent amount of quality coffee. As a leader with this TNC stated, his business cannot "just deal with any cooperative; there has to be strong leadership." Such bargaining power has allowed small farmers to move up in power in the commodity chain, and SG has given them the power to challenge typical market structures.[8]

Much like fair-trade networks, one of SG's central strategies was to redefine the coffee commodity to more closely connect the coffee product with the conditions under which it was produced. That is, SG, FCA, and Development Partners emphasized the importance of narrative to a product's identity and connected the processes of production back to the product itself. As an employee in FCA affirmed of SG, "They sell coffee with a vision, not just coffee." Coffee was viewed not as a product but as a "way of life," something that prompted people to stay on their coffee farms even when it was economically difficult. The director of SG argued that the coffee was intricately tied to the people who produced it:

> They [pastors in the United States] are not very concerned about issues outside of their local churches about what's going on in Nicaragua, or El Salvador, Honduras, about poverty at the level of coffee farmers[,] . . . because they have so much lack of knowledge, and I should say experiential knowledge, they haven't been exposed to see how people live in poor countries, in the rural communities. If they could see what goes on, I am pretty sure that they would be more sensible to doing a little shifting in their focus or their aim, or try to be more, I guess, open, to something that will cause them a little more work.

A farmer in charge of an organic cooperative that worked with SG agreed with this view of the network, noting, "Development Partners is more just [than other companies]. They care about who produced the coffee."

The network aimed to combat commodity fetishism by giving farmers increased

8. There was a contrast between the relationship SG had with farmers and wage laborers. Although it worked to empower farmers, it concentrated only on fairness issues for laborers. The main source of difference between these two groups is that farmers own a product, whereas laborers exist at the very lowest point in the commodity chain.

ownership over the coffee they produced. In the traditional coffee trade, and many fair-trade cooperatives, farmers sell coffee beans to a company for a set price. However, in this network, farmers bring their partially processed coffee beans to SG. The farmers are more involved in the processing, and their coffee is sold to a specific buyer. They can receive greater recognition for the quality of their product. For example, many FCA farmers have competed in national quality competitions.

Although SG seeks to change the current commodification of coffee, its efforts have fallen short, given a lack of real empowerment of workers. Similar to Lyon's (2006) assessment of fair trade, I would argue that altruistic attitudes and the view of the "other" contribute to the continued (though decreasing) fetishism of commodities. Within Solid Grounds, a sense of altruism and the "other" is present in interactions with farmers. Because of the importance of its "spiritual and social mission," SG held its own vision of empowering workers above the visions or desires of workers. One manager of the FCA commented, "SG has a much higher image of [itself] than [it] should." The director viewed his vision as inspired and protected that vision with his power, contributing to a notion that SG was the real actor "helping" others. Such an attitude hindered SG from viewing the farmers as equal players in a joint mission.

This lack of equal power relationships manifested itself in SG's difficulty in receiving criticisms or guidance from FCA and its farmers. Leaders of Development Partners and FCA, alongside other members of the network, all mentioned that the director of SG did not receive criticism well. Several members of FCA mentioned that farmers' concerns were not given legitimate attention. In justifying the company's business expenses (e.g., company car, professional office), the director of SG dismissed criticisms from workers about expenses as due to their lack of understanding. Seeing farmers as lacking requisite knowledge meant that they were not empowered to enter into many decisions the network made.

DISCUSSION

The focus of this article is on examining how faith affects the economic decisions made by the leaders of SG and what resources religion offered as SG sought to change conditions for coffee farmers. Although there is a growing body of literature regarding the impacts, challenges, and complexities of alternative trade networks, little research has examined the role that religion itself plays in similar causes or the strengths and weaknesses of religious communities for the success of alternative trade.

Religion was a source of networks that enabled nontraditional economic relationships. A shared mission, motivated by religious faith, was central to binding SG to its partners at a local level and helping farmers form relationships with different business actors. The company was in long-term relationships with those with whom it conducts economic transactions, and SG placed a high priority on how its partners fared in the market. Development Partners provided important economic resources that enabled the mission of SG and supported farmers, resources from coreligionists in the United States.

Yet religious networks also hindered some efforts. At the local level, some staff were underpaid, and a sense of mission demanded more of workers than would be required in other situations. Overreliance on the power of a shared mission sometimes caused complications for real business contracts. Perhaps more important, at the international level, religious networks were mainly a source of aid, failing to promote genuine relationships between coffee producers and consumers, a central aim of network building among the alternative trade movement.

This lack of connection between religious consumers and producers adds to the research analyzing linkages between economic and religious life. First, it expands on previous work on evangelicalism and individualism in the United States. Emerson and Smith (2000) have argued that the individualistic nature of US evangelicalism has hindered efforts toward racial justice, in part because it is difficult for evangelicals to identify structural inequality and see economic systems as flawed. However, this case also confirms that such a focus on individualism is not inherent to conservative religious networks. It provides an example of how evangelicals in the global South see faith as connected with mandates for economic justice (Miller and Yamamori 2007; Freston 2001).[9] Even though SG pursued more entrepreneurial than governmental approaches to economic change, it still sought economic redistribution and changed structures, which suggests that it has the potential to be an important ally in alternative trade networks.

Second, the evangelicals in these transnational networks seem to lack personal interaction and experiences with one another, which has been shown to be vital to engaging people in justice causes. Belonging to a similar network is not the same as having relationships with people in the network, and greater efforts must be pursued to form those relationships. Although both the directors of SG and Development Partners are examples of actors with transnational identities, the people they seek to engage in the North are not transnational at the same level. Many evangelical congregations in the United States lack firsthand experience of Central American communities or the coffee industry there, as the director himself noted. Networks are important, but the modes of connection among actors and how they understand those relationships are also critical.

On an ethical level, religion shaped the decisions made by the company, in terms of both noneconomic and economic behavior. Having a religious identity was important to the company, as seen by SG's investment in religious efforts within the community. At a business level, SG intentionally made efforts to be transparent and invested in value-added initiatives for producers. The strong local networks in which SG was embedded further strengthened such commitments. Transparency in particular took on an important role in SG. Although religion may not always be a source of increased informational flows between actors, this case is one example of how religious ethics prompted different business

9. There is not one evangelical position either in the United States or in Nicaragua for how faith connects with economic and political life. As Hart (1992) clearly finds, evangelical theology is not tied to one economic attitude but can be used to support divergent positions. Yet the political trajectory in the United States has been one that often aligns evangelicals with conservative economic attitudes. Research in the United States has found that it is the wealth of religious communities that is most important in predicting their attitudes on economic matters (Wald and Calhoun-Brown 2007), which might explain some of the differences between US and Nicaraguan evangelicals.

practices that benefited producers. As alternative trade networks continue to deal with a need to incorporate more farmers into fairer coffee networks and increase their knowledge about the fair-trade system (Murray, Raynolds, and Taylor 2006; Lyon 2006), this evidence suggests that religion may be a way to encourage certain practices, like greater transparency.

A central struggle in the alternative trade movement highlighted by those studying such movements is how to promote real change in market structures. Enabling farmers to survive is important and a benefit of current FLO networks, but allowing farmers to thrive demands a change in economic relationships between the different coffee actors. Some fair-trade efforts have been critiqued as a popular way for consumers to feel good about their decisions without examining their social location and attitudes. As alternative trade efforts become more dominated by for-profit actors, their potential for addressing inequality in profits and power relationships decreases.

Although Solid Grounds accepted the status quo in some instances, it sought to address inequality and promote real change in other instances. Though not like NGOs in the 1940s and 1950s focused on redesigning the global international economic system, SG was critical of current structures, trying to redefine its position and the coffee product in commodity chains. At the same time, SG accepted the power it had in the system. Even as it tried to use its position as a coffee exporter to help empower farmers, it was not willing to cede too much of its power to be on equal footing with coffee producers in the decision-making process.

This research ultimately suggests that religion may be a resource within Latin America that could help challenge some market dynamics, even as it is not the solution to seeing economic change occur. Because of an evangelical theology that emphasizes the dignity of individuals, SG was spiritually motivated to do something about the poverty and inequality it saw, much like the growing progressive Pentecostal communities throughout the global South that Miller and Yamamori profile (2007). This had two important impacts in the lives of producers. First, the work SG invested in farmers did empower them in business and technical interactions, and it provided them with more power in the commodity chain. Religious development groups throughout the world often focus on building skills and capabilities, and further research might investigate the potential of such work to change economic relationships. Second, the personal connections that Solid Grounds and Development Partners had with farmers were an important part of redefining the coffee product and making the work of producers more intertwined with the commodity being sold. Fostering such relationships may be another important resource that religious communities could offer. Even as this case revealed several challenges and shortcomings of faith-based actors, it also revealed the potential of such actors to prompt economic change.

CONCLUSION

To better understand how religion and economics interact, a more cultural view of the market is useful. Contexts matter, and networks define the nature of transactions. Values are inherent in the market and can shape the way organizations and individuals think about capitalism and economic behavior. Religion has long been a source of networks, ethics, and societal and market values; as a result, religion has the potential to influence the way people behave in the marketplace. Although this may at times support the status quo, the case of SG shows the power of ethics, market values, and local networks in affecting economic behavior. It is an example of one way that the growing evangelical movement in Central America is engaging with the inequality present in current economic structures.

Latin American evangelicals have been noted for their religious fervor, and SG provides one example of how this fervor can permeate economic life. While not suggesting that all, or most, religious businesses operate similarly, this case provides one example of how evangelical actors have used resources—networks, ethics, and values—to do business differently. As scholars of alternative trade continue to identify the challenges that lie ahead for the movement, more serious consideration should be paid to the ways that religious communities may provide valuable resources to challenge current economic structures.

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