

# **The Role of Community Organisations in the Struggle for Sustainable Development in Rural Guatemala: A Case Study of ADIPSA**

## **SUMMARY**

Alasdair Cunningham  
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# SUMMARY

## **Introduction to Guatemala: society, politics, agriculture**

The 1996 Peace Accords ended Guatemala's 36-year civil war and set out to address the very problems which led to the conflict four decades previously, namely the glaring injustices and inequalities across society. The majority of Guatemalans have been denied basic human rights, excluded from access to health, education, housing and water; over half the population lives in poverty and almost a quarter in extreme poverty; curable diseases are the number one cause of death and child malnutrition and infant mortality are rates amongst the highest in the world; land is the single most significant structural cause of conflict.

Since the Peace Accords, the government has gradually increased social spending and some improvements have been made, particularly in primary education. Nevertheless, the state has been unable to bring changes fast enough to overcome the huge injustices and inequalities in Guatemala. The standard neoliberalist doctrine adopted since the 1990s has not brought Guatemala the prosperity it promised. Rather, liberalisation has been associated with increasing rural poverty, greater social instability, an increase in urban criminal violence and a growing disbelief in democracy.

Agriculture is an essential characteristic of life, work and tradition in Guatemala: the agricultural sector still accounts for 60% of the workforce in a country where maize has been grown for over ten thousand years. Yet agriculture is an immensely contentious area in Guatemala and the scene of flagrant injustices and inequalities. Less than 1% of producers own almost 75% of the total area of cultivatable land. Whilst large-scale producers can reap the benefits of trade in agricultural produce, the vast majority of producers –smallholders with typically a hectare or two of land– live a precarious existence, without basic rural infrastructure, credit access or access to markets.

The real value of crops at local and international markets has fallen almost constantly, having grave economic, social and environmental impacts on Guatemala: rural poverty has increased; many farmers have abandoned the land to move to already crowded urban areas; others have turned to logging as an alternative source of income; others are using more and more chemical fertilisers and pesticides, desperate to increase yields, regardless of the detrimental effects to the environment; there has been a growth in illicit crop production; illegal emigration to the US is on the increase.

Whilst assistance for small producers is essential, they have been generally overlooked by the state which has not invested adequately in even the most basic rural infrastructure. Indeed, government efforts have fallen far short of the complete overhaul of the agricultural sector set out in the Peace Accords. Recent privatisation has as yet not brought significant rural development, whilst the forthcoming free trade agreement, DR-CAFTA may be cause for concern for many of Guatemala's small producers.

Although the Peace Accords of 1996 have been forced to the background of the political scene, they nevertheless represent a precedent for the future. Whilst the socio-political situation is far from perfect, the democracy which now exists offers Guatemalans a much greater opportunity to make their voice heard than any other period during the previous four decades. Community groups, students, teachers, academics, politicians must make use of this great opportunity and fulfil their responsibility under the Peace Accords. For the first time in decades, there are real opportunities to

overcome the many social, economical, political and environmental challenges facing Guatemala today.

A new sector of NGOs, community organisations and producer cooperatives has arisen in recent years to work towards development, particularly in rural areas. In the absence of adequate state support, this sector demonstrates the genuine will of the at least some of population to participate in the struggle for development. ADIPSA (Progressive Integrated Development Association of San Agustín Acasaguastlán) is one community organisation which takes up the struggle for rural development...

## **ADIPSA**

San Agustín is a rural community in Central America, where daily activities are centred on agriculture. Yet over 60% of the inhabitants live in poverty: small farmers lack basic infrastructure, have no credit access and no skills base to modernise or diversify production, are isolated from markets and forced into a cycle of dependency and debt; the continual fall in the value of commodities makes it increasingly difficult for farmers to meet their basic needs; the climate, too, can be incredibly destructive – Hurricane Mitch and severe droughts caused by ‘El Niño’ phenomenon have left farmers in ruins in recent years.

With their way of life under threat, a group of small farmers came together in 1994 and formed the organisation ADIPSA to improve their lot and to work towards inclusive sustainable development in the community as a whole.

ADIPSA uses many strategies and has implemented a series of projects which work in different ways to improve the quality of life in San Agustín’s communities. ADIPSA also teams up with other organisations and institutions to help make the voice of its small farmers heard on a wider level. Democracy and transparency are important characteristics of ADIPSA. Members have a key role in designing and implementing projects, thus ensuring that current needs of the communities are directly targeted; meanwhile, records are kept of all projects and are available to members. ADIPSA works to win over hearts and minds in the communities, to overcome prejudices of the past and promotes wholesome, positive attitudes.

ADIPSA has benefited from the support and assistance of many external institutions and organisations, both local and international. However, at all times, it is the members of ADIPSA themselves who make the decisions. International aid is filtered through in such a way that it is the local grassroots organisation that takes control.

This paper examines key areas of ADIPSA’s work: the guiding principle of equality in the home, projects specifically aimed at woman’s development, three main development programmes – education, microcredit and agricultural production and commercialisation. These are all areas where the Guatemalan government has been unable to provide adequate support. In the absence of state support, community organisations like ADIPSA play a vital role in the development processes in rural Guatemala.

This paper aims to give an insight into how grassroots community development organisations operate and proposes that these organisations offer an excellent vehicle for sustainable development. A well-organised, democratic and transparent organisation, working in many different areas, with a multi-faceted approach, cooperating with other development organisations and institutions, creating

links with local government and backed by the international NGO sector in such a way that it is the grassroots organisation which makes the decisions, builds up a knowledge base and empowers its members: these are elements which combine to make ADIPSA a key player in the struggle for sustainable development in rural Guatemala.

### **Equality in the home**

Exclusion in Guatemala begins in the home, where unequal relationships are handed down from generation to generation and then reinforced by society's institutions. Inequality within the home, especially in rural areas, in the form of discrimination against women, children (particularly girls) and the elderly can be seen as the root of many problems in Guatemala today. Men are the landowners and breadwinners, whilst women are maintained in roles of procreators, nurturers of as many children as their husbands see fit.

ADIPSA considers it essential to promote and strengthen respect and equality for every member of the family, thereby improving relationships within the home and also between communities. Equality in the home is a guiding principle at ADIPSA and the organisation ensures that its projects serve to benefit the family unit as a whole, rather than just a single member; secondly, ADIPSA's promotes equality in the home via women's development projects.

### **Woman's development**

Since discrimination against women in Guatemala is so extensive and perpetuated by almost all of society's institutions, it is the duty of everyone to actively work to end the injustice. Since the Peace Accords, the number of NGOs and community groups fighting for women's rights in Guatemala has greatly increased. These organisations can play an important part in achieving equality for women.

ADIPSA runs several women's development projects specifically designed to end sex discrimination and provide women with the means to develop as equal members of the family and the community. The main thrust of these projects is education: workshops, meetings, exchanges and other skills building activities. By joining forces with other organisations and institutions, such as The Human Rights Office, the Unión Nacional de Mujeres Guatemaltecas (National Union of Guatemalan Women), the town council and the local health centre, ADIPSA's women can learn to assert themselves better and make their voice heard in the wider community.

ADIPSA runs three woman's development projects, funded by Intermón Oxfam: a vegetable garden project, a bakery project and a dressmaking project. The vegetable garden and bakery projects aim to provide families with a healthier and more varied diet, whilst producing surpluses that can be sold at the local market, generating new income and benefiting the wider community. ADIPSA provided the relevant materials for the projects, whilst the women committed themselves to work on the projects, supplying the labour and actively participating in educational workshops. The success of these projects is evident in the communities of San Agustín today, as families and villages now benefit from a whole range of products previously unavailable to them. These projects have improved quality of life by providing families and the wider community with a healthier, more balanced diet. They promote food security in the home and food sovereignty in the villages by lessening the dependency on external sources for food consumption.

ADIPSA's woman's development projects increase woman's participation in the community and her contribution to family income. They help to raise women's self-esteem since they provide her with a role in the home and community over and above that of housewife, mother and carer of the elderly. By providing women with the skills and knowledge to become independent producers, ADIPSA's women projects contribute to sustainable development. They enable women to contribute to family health and wellbeing, to have an input in household income and participate in the community, leading to empowerment. Today, San Agustín's women are slowly beginning to make their voice heard as equal members of society.

## **Education**

Education has served as an instrument of exclusion in Guatemala, existing as the reserve of the affluent and denied to the poor majority. The legacy of this exclusion is an appalling illiteracy rate today of 30%.

Although the government has improved education access in recent years, since this is a recent development and the focus has been on primary education, the benefits are yet to be seen across society as a whole. Moreover, the education problem is complex. For example, many poor families cannot afford to send their children to school since they are needed at home – girls to help their mothers in the many household chores, and boys to help their fathers on the land. Furthermore, it is not just children who need education in Guatemala, but everyone. And so, in the absence of a comprehensive state education programme, community organisations such as ADIPSA have a key role to play in providing education.

ADIPSA adopts a multi-faceted approach to providing education and is constantly learning as an organisation and building up a solid knowledge base. ADIPSA's formal education programme, funded by Icco, paid students' annual registration fees for the Instituto Guatemalteco de Educación Radiofónica (Guatemalan Institute for Radio Education) – IGER, thus providing primary, secondary and higher level education for adolescents and mature students, who had previously been excluded. ADIPSA also incorporates activities within all projects which aim to increase the skills and knowledge of participants. Educational workshops and skills building activities are an integral part of each of ADIPSA's projects and the organisation has learnt that a project's success is closely related to the skills training received by participants. By giving small producers the opportunity to attend educational workshops, and informative meetings and participate in skills building activities and external courses, ADIPSA helps provide them with the know-how to generate income and improve their quality of life.

Yet there are obstacles to education at ADIPSA: many do not see the value of attending workshops or other educational activities and small farmers are often very set in their ways and often desire quick-fix solutions that offer immediate results. Negative attitudes which are deeply ingrained in the mindset of the local population represent another serious obstacle to ADIPSA's education programme. Yet by emphasising the vital role of education plays in society and by making education more accessible, ADIPSA is helping to eradicate prejudices of the past and instil more positive, wholesome values in the community.

## **Microcredit**

In Guatemala, finance has historically been denied to the poor who are unable to provide the collateral required by the commercial banks. In the agricultural sector, powerful, large-scale

producers have been able to access credit to modernise production, whilst smallholders continue to toil on the land using very much the same techniques they have been using for centuries. Providing small farmers with an access to credit can help them enhance production, obtain better prices for their produce at local and international markets, avoid debt and break their dependency on middlemen who buy up their produce at below market prices. It is here that a community development organisation like ADIPSA can play a key role.

ADIPSA works in affiliation with a national finance institution, UAM, to provide its small farmers with microcredits to increase income and develop as independent producers. Credit funds are distributed primarily amongst agricultural production projects which aim to modernise production methods, increase productivity, diversify production, create basic infrastructure and access markets on more favourable terms. Microcredit projects at ADIPSA have three important characteristics: firstly, they are geared specifically towards the current needs of the communities; secondly, they adhere to certain social, economic and environmental standards; thirdly, they are complemented by educational activities.

Whilst ADIPSA's microcredit projects have also had their downsides –a recurrent problem, for example, is the lack of interest shown by participants in workshops and other skills building activities incorporated into each project– on a whole, they work to empower its members. Participants of microcredit projects play an active role, taking out a loan and committing themselves to work on the project. When the project bears fruit, it will generate enough income to allow the participant to repay the initial loan and then to continue to benefit from the fruits of project long after the loan has been repaid. In this way, ADIPSA's microcredit programme aims at sustainable development.

### **Agricultural production and commercialisation**

The fall in the real value of commodities at the local and international level has crippled small producers in poor countries throughout the world, including Guatemala. Despite the dent made in state revenue by the drop in value of export crops and despite the grave economic, social and environmental impacts low prices across the board have had on the country, the Guatemalan government has been unable or unwilling to implement a comprehensive package to support smallholder production. Once again, it is in the absence of adequate state support, that community organisations play a key role in enabling small producers to make a living from the land.

ADIPSA realises that improving agricultural production to allow small farmers to make a decent living requires drastic changes in the way smallholders operate. Projects directly aimed at enhancing small farmers' production techniques account for most of ADIPSA's work. The organisation also works to reverse the widespread environmental degradation caused by harmful production techniques, by promoting environmentally friendly production methods. Moreover, ADIPSA has adopted organic production techniques in all recent projects and promotes the use of traditional 'criolla' seeds.

Persistent low prices at local and international markets are a major factor inhibiting development in rural Guatemala. For this reason, ADIPSA has recently begun to help out in the actual commercialisation of agricultural produce, particularly coffee, and has also joined forces with other organisations in order to gain more favourable conditions at the local market for its producers.

## **Crop Diversification**

Depending on just one crop can have grave consequences and leave small farmers open to unnecessary hazards. A slump in the market value for a particular crop could greatly reduce the income of the monoculture producer. Other factors, such as the weather or pests could destroy a large part of the crop, leaving the farmer in ruins.

In 2002, in the midst of the world coffee crisis and severe droughts caused by the 'El Niño' phenomenon, ADIPSA began an extensive crop diversification project, funded by Intermón Oxfam, which aimed to increase productivity and promote food security in the communities of San Agustín. Two aspects of this diversification project stand out: an adaptability to meet the specific needs of each farmer and an assurance that the proposed crops are viable. Workshops and skills building activities have also played a key role in the project and aim to provide small farmers the knowledge and skills to develop as individual producers of diverse crops.

The primary achievement of ADIPSA's diversification project has been to promote food security in a time of crisis. Families now have a more varied, healthy diet; where farmers had previously been monoculture subsistence producers, the increased productivity of their diversified plots today has allowed them to produce surpluses which they now sell locally, generating new incomes; villagers have a greater choice at the market and the local economy is stimulated.

Yet ADIPSA's diversification project has not been without its difficulties. Farmers often show reluctance to grow alternative crops, implement organic techniques or attend educational workshops. Moreover, the lack of feasible alternatives, due to climatic factors (water shortages and drought) and economical factors (low market value of alternative crops) has been an inhibitive factor to the project.

Nonetheless, on a whole, ADIPSA's diversification project has brought many economic, social and environmental benefits to the communities. It has helped create integration within communities, promote food security and provide small farmers with the means to progress as independent organic producers.

Whilst ADIPSA's crop diversification project has provided immediate assistance to those worst affected by the coffee crisis, the organisation has also run a comprehensive coffee project aimed at enhancing coffee production itself.

## **Coffee**

Twenty five million families around the world depend on coffee as their primary source of income. In Guatemala in particular, 7% of the population depends directly on coffee, which is also the country's main export. Yet coffee is amongst the crops worst affected by the fall in commodity prices over the last two decades. Increased world production, a drop in quality, a market dominated by a handful of large transnational companies, where rules of trade are skewed in favour of the rich: these factors combined to create a world coffee crisis. The deregulated market, free from the quotas previously established by the ICA (International Coffee Agreement), has led to chronic oversupply, an increase in global stockpiles and the biggest price slump in coffee market history. By the year 2001, prices had fallen to record lows, well below production costs, causing untold disaster throughout poor producing countries, including Guatemala, the world's fifth biggest producer.

In Guatemala, as elsewhere, the government's capacity to implement much needed development programmes has been seriously hampered by a loss in export earnings. Families have less money to cover basic needs such as health care, education, housing and food. Rural poverty, malnutrition and debt have increased. There have been huge job losses in the rural sector and an ever-greater flux of people to cities. Meanwhile, the production model favoured by the free market –intensive monoculture production, deforestation and an ever-growing reliance on chemicals– has aggravated the damage caused to the environment.

Support for small coffee producers is essential, yet in the free market the state's ability to provide it is weakened. Meanwhile, the private sector has, by and large, shown itself unconcerned with the plight of small farmers. Facing inadequate state support and an indifferent private sector, producer organisations, like ADIPSA, can play a key role in assisting small coffee producers.

Working together as a unit of organised small producers, ADIPSA sought funding from Intermón Oxfam to run a comprehensive coffee project with two complementary goals: enhancing production and improving commercialisation. The project has included microcredits, irrigation systems and the construction of processing plants, all of which were geared towards enhancing production. In particular, workshops and other skills building activities serve to educate farmers on every aspect of the production process and ensure maximum quality. Furthermore, ADIPSA has promoted organic coffee production in order to help stem environmental degradation, enhance production techniques, improve quality and win a much-needed premium at the market.

Whilst improving coffee production is invaluable, a fundamental problem still remains even for the producer of high quality coffee: low market prices. If farmers cannot sell their coffee at a decent price, there can be no room for development. The current trade model prevents small producers like those at ADIPSA from the benefiting from the great potentials of international trade.

Over the four years from 2001 to 2004, ADIPSA's coffee farmers sold their parchment coffee to middlemen at an average price of just US 44 cents/lb. This price simply did not provide them with a living and many fell further into poverty and debt. Faced with the injustices of the market, ADIPSA has recently turned to Fair Trade as a way to win a fair and stable price for its small producers. The future is now radically more optimistic. By selling their 2004/5 organic harvest directly to the international Fair Trade market, ADIPSA's coffee farmers can expect a significant increase in income; many will earn double what they earned in previous years. This premium paid over and above market price is the most important benefit of the Fair Trade scheme and will allow ADIPSA's producers to make a decent living. Yet the Fair Trade scheme has brought other concomitant benefits. The direct and transparent nature of Fair Trade cuts out middlemen and restores the link between producer and consumer. Fair trade strengthens producer organisations by emphasising transparency and democratic self-representation; it also requires fair working conditions for all involved in the production process, high environmental standards, and high quality produce. Whilst external funding and support played a crucial role in ADIPSA's ability to meet the criteria required for Fair Trade certification, and to find a buyer on the international market, it is the combined team effort of everyone involved in the long process from labourers, producers to administration at ADIPSA that is the key to the project's success.

Fair trade is an inclusive scheme and a radical alternative to the current model which has for so long excluded poor small producers. Fair Trade guarantees that the benefits of trade are shared amongst the rural communities of San Agustín in Central Guatemala. By providing ADIPSA's coffee producers with the opportunity to develop as empowered, independent producers, Fair Trade is an instrument of sustainable development. By joining forces in a grassroots organisation, ADIPSA's

coffee farmers now have a say in trade. Working closely with the international NGO sector and adopting a multifaceted strategy to tackle the effects of the coffee crisis can offer real hope to small farmers throughout Guatemala and the world's coffee producing countries.

### **Next steps**

Now that ADIPSA has established itself as a community leader, with eleven years experience in community development work, as it looks to the future, the organisation aims to have a greater impact in more areas, such as food security and health. By broadening its horizons, and working in many different ways, ADIPSA has been able to provide its members with a means to improve their quality of life and become empowered as independent producers.

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