

Public Policy and its Effects on the Starving Rural Population of Guatemala and Equitable Resource Distribution

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Every morning, the average American awakes and is soon greeted with the distinct, nutty smell of freshly brewed coffee. Some drink it strong, hoping that a sharp, bitter swig of hot liquid will work in conjunction with caffeine to dispel sleepiness from their bodies. Others soften the taste with milk and sugar, possibly even ice, whipped cream, chocolate syrup. Many simply pass it at the office, while preparing a cup of tea or reaching for a donut hole. Coffee often accompanies a bowl of Cheerios, two eggs sunny side up on toast, or an onion bagel from the bakery down the road. Every morning in the United States, this pungent liquid acts as a comforting reminder of sleep, as it bestirs us for another day of work.

In the highlands of Guatemala, workers also awake to coffee. Rising as early as 5:00 a.m., agricultural laborers begin a long day of work planting, fertilizing and harvesting the coffee bean. The majority of these workers are impoverished, surviving on only \$500 a year or less. They have little power and few rights. Many are indigenous Mayans, who constitute 50% of Guatemala's population but 71% of Guatemala's poor. Rural agricultural workers' and subsistence farmers' lives are in a constant state of insecurity. A single event, such as a tropical storm, an economic fluctuation or the contraction of an illness could determine when their next meal will be, the proper nourishment of their children, life or death. In these rural regions of Guatemala, few have received benefits from the gradual economic growth Guatemala has seen over the past decade. Over half of children under five are malnourished and the percentage of malnourished children is declining at an alarmingly slow rate. Why is this? Only through close examination of the daily lives of the rural population, as well as the socioeconomics of Guatemala, can we begin to truly understand how more stringent national public policy initiatives can affect fair and equitable resources and feed the starving rural population of Guatemala.

The sharp decline of coffee prices after the dissolution of the International Coffee Agreement (ICA) in 1989 shook the agricultural economy of Guatemala and other coffee producing countries. The ICA regulated coffee production, and when this regulation was lifted, overproduction caused prices to plummet. One development agency estimates that Latin America lost 44% of its coffee sales in just one year. Consequently, Guatemala saw a drastic shift in many products' export earnings. Between 1989 and 2003, coffee's export earning in Guatemala as a percentage of the total went from 49% to 18%, yet the country's agricultural sector still managed to grow 2.9% per year throughout the 1990s. This is because of the tremendous increase in the production of sugar and nontraditional agricultural exports (NTAE), such as snow peas, broccoli and cardamom, grown in Guatemala's highlands.

The Chimaltenango Region is centrally located in the Guatemalan highlands, and around 94% of its population identify themselves as Kaqchiquel Mayans. Eighteen to twenty thousand people of this indigenous ethnic group produce 90% of Guatemala's total snow pea exports, which increased tenfold between 1986 and 1995. Even so, around 60% of the Kaqchiquel people live at or below the poverty line and over half of Kaqchiquel children younger than five are malnourished. Because of dietary deficiency in young kids, stunting afflicts 44% of Guatemala's *niños pequeños*, making malnourishment an even more urgent issue. This statistic is a strong indicator of the current disconnect between Guatemala's steadily increasing economy and poverty degradation, which remains in a stagnant state of distress.

A primary reason for this disconnect is the unfair distribution of land in Guatemala. An incredibly small percentage of economic elites control 72% of the country's 42,085 square miles, while 77% of rural subsistence farms exist on smallholdings of under 7 hectares. Even more astonishing is that the majority of snow pea holdings in Chimaltenango have an area of less than two hectares. On top of this, only one third of Guatemala's poor possess a title for the land they cultivate, making it incredibly difficult if not impossible for small scale subsistence farmers to receive credit. Executing a partial switch from subsistence crops such as maize and beans and allocating areas of farmland to NTAE requires high start-up fees for seeds, fertilizer and chemicals, but can ultimately result in an increased income of up to 50% in some of the poorest regions of the highlands. Because of this, changing national policy in order to increase land ownership and credit opportunities for the rural poor could have major affects when it comes to bridging the gap between economic growth and poverty reduction in Guatemala.

Some smallholder farmers have been able to break into the competitive snow pea sector through other, non-governmental agricultural and marketing practices. "Satellite farming" is currently in use by about half of NTAE producers. It is a system where the export company provides farmers with the necessary supplies to begin NTAE fructification, with the assurance that the farmer will pay them back when the crop is harvested as well as sell the companies their crops. The problem with satellite farming is that these large establishments do not promise a price in return. One study concluded that farmers end up with "what amounts to be a high interest loan", which is a shame because of the benefits of NTAE production. One solution to this problem, however, is implementing public policy that provides more Guatemalan farmers with government loans, a fixed interest rate and a payment plan that benefits the rural poor, especially those looking to make the transition from subsistence crops to NTAE.

The other half of nontraditional crops are sold on the "night" market, by private intermediaries traditionally called "coyotes". However, a major concern with this system of marketing is improper management. Health and aesthetic restrictions on imported goods from Guatemala into the United States and Canada caused a contingency in the late 1980s, due to improper amounts of pesticide residue on the snow pea crop. Intermediaries exacerbate safety standards by mixing products from different farms, causing the disqualification of entire shipments when only a fraction of the crop is not up to code. This is yet another example of how providing farmers with the monetary resources they need could eliminate the possibility of extreme market fluctuations due to avoidable circumstances. Unlike "satellite farming", "coyotes" also lag when it comes to the education of farming communities about new technologies and more efficient methods of crop production, one of the most important aspects of poverty reduction.

"Poverty is the lack of education in the community," stated one K'itche Mayan villager about Guatemala's plight. Not only is education about proper farming techniques lacking, but the basic education system in Guatemala is one of the worst in Latin America, specifically among the indigenous poor and women. Education has strong correlations with poverty and hunger. Only 3% of the extreme poor ever attend secondary school, because of challenges such as late initial entry, repetition of grades and malnutrition. This is partially due to ineffective education policies. The official age of entry for primary school in Guatemala is a full year later than most countries. Studies have also shown that the basic infrastructure of rural schools is lagging, which could signal the improper allocation of funds in terms of number of teachers, textbooks and improper school facilities. Though there have been tremendous improvements in increasing net enrollment rates since the 1970s, drop-out statistics still average at 7% mainly because of reasons concerning child labor, domestic responsibilities and poverty.

Despite the obvious need for improvement, it is remarkable that around three fourths of indigenous Mayan children enroll in primary school, with the Kaqchiquel ethnic group leading the way at 76%. This could have a connection with the fact that the average monthly earnings of a snow pea farmer in Chimaltenango are Q1200, around two times that of a regular subsistence farmer. One negative aspect to the production of NTAE, though, is that they have no effect on the deep-seeded gender inequalities in rural Guatemalan families. In fact, they have been shown to increase the amount of unpaid household labor women provide. Traditionally, women gained economic leverage in the family through independent forms of income. NTAE production causes the amount of time women spend cultivating the cash crop to escalate, taking their time away from managing their autonomous income practices, as well as household subsistence and budget. With an average of five children per woman, the roles of females in Guatemala could not be more important when it comes to combating child hunger. I believe increasing efforts in the area of women's education through government action would be a well worthwhile policy initiative. "Eduque a la Niña", a pilot program started by the Ministry of Education in 1993, is just one example of how government action can improve the lives of rural citizens of Guatemala.

Over the past twenty years, public policy developments have had an incredibly significant impact on Guatemalan food insecurity. The 1996 Peace Accords, which ended a 30-year civil war in Guatemala, were the result of tremendous compromise but created a much needed environment of relative peace and stability. Over the course of a few years, a country whose recent acts had been considered "genocide" completely disassembled its counter-insurgency military. In addition, the Peace Accords attempted to give rights to indigenous people, in hopes of illustrating Guatemala as a multiethnic, multicultural and multilingual country that strives to provide freedom and equality for all its citizens. Lastly, the Guatemalan Peace Accords provided a foundation for the start of a new Guatemala determined to uphold the human rights laid out in its constitution.

Despite these major political advancements, there is no doubt that the Peace Accords cannot be truly constructive without a fundamental desire to uphold them, which is currently lacking in the Guatemalan government. The Coordinating Committee on Agricultural, Commercial, Industrial and Financial Organizations (CACIF) is the most influential business association in Guatemala and works closely with the government in formulating public policy to suit its interests. CACIF is completely controlled by Guatemala's economic elites, a group of wealthy families of European descent who have a long history of inter-marital relationships and relative monopolies over sectors of the country's agricultural economy. These families often wield their power so that the rural poor are marginalized. In fact, what could have been a particularly influential land reform never made it into the Accord on Socio-Economic and Agrarian Issues, because it called for more equitable distribution of land. (These elite families make up the 2% of the population who own over 70% of the land.) As stated earlier, improper and unfair distribution of land is a major factor preventing the impoverished from receiving the benefits of the country's growing GDP.

It would be illogical to depend on a government so entrenched in its upper class to independently shape effective reforms to benefit those on the opposite side of the economic spectrum. In order for the country's poor to really feel the effects of affective public policy, intervention by international organizations and NGOs is a necessity. I believe Guatemala's Millennium Development Goals (MDGs) have had some impact by refocusing the attention of Guatemala's leaders to the poor and under-represented peoples they govern. Just this year, two important new efforts were put in place by the UNDP

Guatemala in order to help the progress of the country's MDGs: 1.) the introduction of the "MDG Observatory", the goal of which is to "ensure transparent and constructive interaction with all partners involved in achieving the MDGs" in Guatemala, and 2.) the production of an MDG manual "intended to promote and facilitate knowledge-sharing regarding MDG achievements". Despite this, I believe Guatemala's MDGs are lacking because they have no specific plan of action and they are defined by the government's social priorities. The correlation between economic growth and poverty reduction will continue to be disproportionate if steps are not taken to truncate the power of Guatemala's economic elites.

Ineffective public policy is an incredibly significant factor in combating food insecurity in Guatemala. The problem with combating socio-economic issues at the top and working down to those suffering the most is that often, by the time the people who really need assistance are reached, it is too late. As recently as September 9th of this year, Guatemalan President Alvaro Colom declared a "state of public calamity" in order to address a new bout of food shortages. A combination of inclimate weather, poor soil and the world's strained economy has created a triad of suffering in the dry region of the country, causing close to 400,000 families to be "at risk of food insecurity". In situations such as this, when immediate action is a necessity, the only response can be to help those who need it. The World Food Program announced that over 20 tons of nutritional cookies will be distributed to the most affected areas. Nonetheless, it is also in these situations that we are reminded food insecurity will continue to be a major developmental problem unless issues concerning unfair policy are terminated at their source. I believe the most effective ways for Guatemala to accomplish this is through 1.) creating land reforms and government loans, in order to provide rural subsistence farmers with the resources they need to begin producing more profitable crops, 2.) increasing efforts to provide rural women with education, especially those who participate in the NTAE sector, and 3.) decreasing the amount of influence the small elite portion of the population has on government action.

There are many factors currently affecting the status of food insecurity and hunger in the world, and most have a number of variables. The formulation of public policy in order to decrease poverty and hunger, however, has but one: the actions we are willing to take in order to help those less fortunate than us. As citizens of our world, *we* are responsible for prompting governmental and non-governmental organizations to allow everyone the basic right to food, and it is through our actions that the greatest impact is made. Every time we take a sip of coffee, we should be reminded of the work it took to provide us with such a luxury, as well as the many possible injustices faced by the workers we have to thank for our morning wakeup. As American poet Ralph Waldo Emerson once said, "There is no knowledge that is not power," and through our knowledge we can change the status of food insecurity in the world today. Because of this, I have immense faith in the formulation of public policy initiatives in order to curtail hunger in rural Guatemala and around the world.

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