

2021

Italian Coffee: Retelling the Story

Helena Alviar García
Sciences Po Law School, Paris

Follow this and additional works at: <https://ecollections.law.fiu.edu/lawreview>



Part of the [Agriculture Law Commons](#), [European Law Commons](#), [Food and Drug Law Commons](#), and the [International Law Commons](#)

Online ISSN: 2643-7759

Recommended Citation

Helena Alviar García, *Italian Coffee: Retelling the Story*, 14 FIU L. Rev. 443 (2021).
DOI: <https://dx.doi.org/10.25148/lawrev.14.3.5>

This Article is brought to you for free and open access by eCollections. It has been accepted for inclusion in FIU Law Review by an authorized editor of eCollections. For more information, please contact lisdavis@fiu.edu.

ITALIAN COFFEE: RETELLING THE STORY

*Helena Alviar García**

ABSTRACT

On December 4, 2019, the New York Times published an article describing Italian efforts to make espresso part of the UNESCO list of the Intangible Cultural Heritage of Humanity. The piece details how essential coffee is for Italians not only for its culinary value but, most importantly, for the role it has played in creating political, social, and cultural communities all around the country:

“I can assure you that it if [sic] weren’t for Italian espresso and the social ritual of espresso coffee, Italy wouldn’t exist as we know it,” said Massimo Cerulo, a sociologist at the Università degli Studi di Perugia. “We cannot separate espresso the drink from the social ritual, because it is a routine, a socially shared practice.”

Coffee was also a harbinger of democracy. “The public sphere as we know it was born in coffeehouses,” he noted, adding that Italy had some of the world’s oldest and most beautiful coffeehouses, like Venice’s “Florian,” Turin’s “Al Bicherin,”[sic] or Rome’s “Antico Caffè [sic] Greco,” which all opened in the 18th century.

“Around a cup of espresso you have the possibility of meeting many people, regardless of status, class, wealth, political ideas,” he said. “It creates a community.”¹

Despite its importance, all coffee is imported into Italy. In 2016, more than 10 million sacks were brought into the country, making it the second-largest buyer in Europe.² Once brought into the country, coffee is then roasted

* Professor, Sciences Po Law School, Paris.

¹ Elisabetta Povoledo, *Italians Celebrate Their Coffee and Want the World to Do So, Too*, N.Y. TIMES (Dec. 3, 2019), <https://www.nytimes.com/2019/12/03/world/europe/italy-coffee-world-heritage.html>.

² ORGANIZACIÓN INTERNACIONAL DEL CAFÉ, PERFIL CAFETERO: ITALIA [INTERNATIONAL COFFEE ORGANIZATION, COFFEE PROFILE: ITALY] 8 (2017).

and almost half of it is reexported.³ Colombia is one of the top five providers, and the two biggest sellers are Brazil and Vietnam.⁴

This article will concentrate on the rules and regulations—mostly local, but also global—that make Colombian coffee the product it is. Although described as a result of unique geographical conditions, sophisticated state policy, and successful institutional building, Colombian coffee is more the result of access to property, tax privileges, mapping permissions about where to plant, conservative family values, and subsidized credits.

In order to do this, the piece will start out by briefly providing a historical account of how coffee became so important in both countries. The second part will outline the traditional narration of coffee as a success story in the Colombian economy. Then, it will summarize the Dependency Theory inspired narrative, which argues that producing coffee for a country like Colombia was far from a choice, but the result of unequal terms of trade. Finally, it will propose a retelling of the story, foregrounding the rules and regulations that distributed resources in favor of the coffee growing elite in the country. It will then end with a set of conclusions.

I.	From Africa to Europe	444
II.	Colombian Coffee As the Decision of the Foundational Fathers...	446
	A. General Background.....	446
	B. The National Federation of Coffee Growers: A Central Institution for Conservative Accounts.....	448
	C. The 1990s: Weakening Fedecafé in Order to Promote the Free Market	450
III.	The Dependentista Narrative: The Curse of Coffee.....	451
IV.	Foregrounding the Law	453
	A. Property and Family.....	453
	B. Free Trade: Ending the Power to Zone and Manage Production	455
V.	Back to Italy	455

I. FROM AFRICA TO EUROPE

He found that among its properties was that it drove away fatigue and lethargy, and brought to the body a certain sprightliness and vigour. In consequence, when he became a

³ *Id.* at 16.

⁴ *Id.* at 12.

Sufi, he and other Sufis in Aden began to use the beverage made from it.⁵

Coffee is a gift of Africa to the world according to most accounts. It is a story of cross-cultural influence and inspiration as well as of how commercial exchange transformed tastes and social practices in Europe. Its appropriation was far from easy and was early on feared because it altered the body and mind.

According to the International Coffee Organization, coffee was introduced into Europe through Venice in the sixteenth century by travelers who brought news about its uses.⁶ Although initially sold in apothecaries for medicinal uses and consumed only at home, by the early seventeenth century, there were coffee houses all around Europe.⁷

Colonialism was essential to the spread of both its production and consumption. In the early 1700s, the French introduced coffee into the Caribbean, first in Martinique and later Haiti. Dutch and British colonies were also responsible for an increase in the amount of coffee available in the global market.⁸ As coffee became cheaper it was more accessible to working class Europeans:

. . . the first half of the nineteenth century saw a continued increase of coffee consumption throughout Europe. Swedish novels of the period feature scenes in which coffee is drunk by all classes: for example, in Emilie Flygare-Carlén's *Pål Värning*, published in 1844, the hero is a poor fisherman who makes a hazardous journey to buy coffee for his sick mother. At the tavern-cum-shop he encounters an elderly maid, for whom 'sitting by the kitchen stove with a pipe in her mouth, and with the coffee pot on the fire was . . . the finest pleasure in life'. Coffee came to be sold in "Colonial Goods" shops—aptly named, as most European supplies still came from their imperial possessions.⁹

There wasn't only a great demand for coffee in Europe; the United States soon ensued. During the Civil War, Union soldiers were given coffee to keep them alert and aware during battle:

The Civil War (1860–65) was a pivotal event in the United States' coffee history. Union troops were plied with coffee:

⁵ JONATHAN MORRIS, *COFFEE: A GLOBAL HISTORY* 48 (2019).

⁶ ORGANIZACIÓN INTERNACIONAL DEL CAFÉ, *supra* note 2, at 6.

⁷ MORRIS, *supra* note 5, at 67–72.

⁸ *Id.* at 79–89.

⁹ *Id.* at 85–86.

a daily ration of about 43 grams (1.5 oz) of coffee a day totalled a staggering 16 kilograms (36 lb) a year. That could easily support the consumption of ten cups of coffee a day. Generals, aware of caffeine's psychoactive effects, ensured their men had drunk plenty of coffee before battle; some soldiers carried grinders fitted into the butt of their rifles.¹⁰

The creation of this habit among soldiers meant an increase in the demand for coffee in the United States after the Civil War. By the early twentieth century, coffee consumption was established at five kilograms per capita. The United States imported more than half of the world supply, and the canned coffee industry was thriving.¹¹ Given the demand for the grain in Europe and later in the United States, there was pressure to increase its output through an improvement in production and harvesting techniques, capitalist investment, and an expansion in the amount of land available to harvest this product.

The first country to industrialize its production was Brazil during the late nineteenth century. In 1914, Brazil provided seventy-five percent of coffee consumed in the United States. Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Mexico managed to take away twenty-five percent of the Brazilian market between the interwar periods.¹²

II. COLOMBIAN COFFEE AS THE DECISION OF THE FOUNDATIONAL FATHERS

A. *General Background*

According to conservative historical accounts, making Colombia a coffee exporting country was the result of a combination of the decisions of brilliant and visionary men who initially promoted the expansion of the crop, aided by later generations (again of brilliant and visionary men) who designed and set in place the necessary economic institutions that paved the way for the centrality of this product in the Colombian economy.

Conservative historians place the foundational myth of coffee with Simón Bolívar, the founding father of the nation. One of his closest aides, José Manuel Restrepo, is used by two economic historians, Roberto Junguito and Diego Pizano, to argue that its production was a decision aimed at linking the country with the civilized world. They quote Restrepo who wrote in 1856:

¹⁰ *Id.* at 93.

¹¹ *Id.* at 99.

¹² *Id.* at 108.

This precious grain whose consumption and value grows every day in the civilized world, to a great extent, can be cultivated among us. Little of our land is not apt for producing it in abundance. Almost all of our mountain slopes and hills are adequate for coffee production, from 5,000 feet down to coastal areas¹³

Junguito and Pizano narrate how the enlightened elite soon ensued in their support for the crop. Their approach was to picture Colombian dependence on coffee as a decision of a handful of men who observed the many “natural” benefits its harvesting embodied and the political advantages it would produce:

The support of the coffee industry and concern over the fluctuation of its prices were a central theme of discussion during the 19th and early 20th century. Only to quote one of the most outstanding examples, it is relevant to comment the defense of the coffee industry which took place in 1864 by the statesman Salvador Camacho Roldán, who defended its advantages, among them: “It is produced in humid temperatures between 1200 and 1800 meters above sea level; the crop is not pursued by ants or any other plagues that do attack tobacco in warm climates; the shadow of coffee on its own kills any other plant, so there is no need for an extensive workforce to take care of the plantations; after three years the plant starts its production, which only declines after twenty years or so; cropping is permanent so it doesn’t require peaks of laborers during a specific time of the year; it doesn’t need land that is exceptionally fertile; a poor family can survive producing coffee in a small land plot which makes it extremely democratic. There isn’t one state in our Republic that cannot produce great quantities of coffee.”¹⁴

According to this account, once coffee was placed on the country’s central stage, many economic, social, and political benefits followed. Among them, the building and improvement of roads, an increase in employment, democratic access to wealth, more public resources in the form of taxes and tariffs, and institutional strengthening through the design and creation of the

¹³ ROBERTO JUNGUITO BONNET & DIEGO PIZANO SALAZAR, *PRODUCCIÓN DE CAFÉ EN COLOMBIA (1927–1997)* 4–5 (Editorial Nomos Ltda. Fedesarrollo, Fondo Cultural Cafetero, 1993) (author’s translation).

¹⁴ *Id.* at 5.

National Federation of Coffee Growers. All of these in turn were translated into greater political stability in certain regions of the country.¹⁵

B. The National Federation of Coffee Growers: A Central Institution for Conservative Accounts

In another book, *Instituciones e Instrumentos de la Política Cafetera en Colombia* (Institutions and Instruments of Policies Regarding Coffee in Colombia) these two authors argue that the National Federation of Coffee Growers—*Federación Nacional de Cafeteros*— (hereinafter referred to as “Fedecafé”) provided the perfect legal and institutional frame which promoted economic development. They use the work of Douglass North and Ronald Coase to make their case:

These lessons can be applied to explain economic development in Colombia. For the last 40 years, the country has had the most stable macroeconomic development in Latin America . . . Gómez Otálora demonstrated how legal rules have not been an obstacle for economic development in Colombia and how the country has been successful in harmonizing economics and law. According to his work, the country adopted clear and stable rules that permitted the cooperation between the private and public sectors. In addition, he argued that international institutions such as the International Coffee Organization had significantly contributed to the stability of external income for the country. In the same way Urrutia, has proved that Colombian stability is the product of the high quality of economic policy designed by the Ministry of Finance, the National Planning Department, the Monetary Council and the National Federation of Coffee Growers. Specifically, regarding the National Federation of Coffee Growers, Cárdenas demonstrated its essential role in Colombian macroeconomic stability.¹⁶

This quote belongs to more than twenty pages where the authors bring in references to the research advanced by the most important Colombian economists celebrating Fedecafé. In an exercise which shows the links between power and knowledge in Colombia, one can follow the trajectory of

¹⁵ *Id.* at 425–30.

¹⁶ ROBERTO JUNGUITO BONNET & DIEGO PIZANO SALAZAR, *INSTITUCIONES E INSTRUMENTOS DE POLÍTICA CAFETERA EN COLOMBIA (1927-1997)* 423–24 (Editorial Nomos Ltda., Fedesarrollo Fondo Cultural Cafetero, 1997).

each one of these famous economists and how they went on to occupy important positions in government. Gómez Otálora wrote his doctoral dissertation at Harvard Law School on Law and Development and later went on to be the Minister of Economic Development, Member of the National Monetary Council which he helped create, Dean—and later President—of Universidad de Los Andes Law School, as well as a Supreme Court Justice. Urrutia was the Minister of Mining and President of the Central Bank for fifteen years. Cárdenas, the last one mentioned and the youngest of the three, is the son of the President of Fedecafé, and went on to be the Minister of Mining (2011), and later the Minister of Finance (2012).

Fedecafé was established in 1927. Despite advancing many public duties and managing taxes and tariffs, it is not a public institution and is mostly regulated by private law. It is financed through tariffs imposed on coffee export that feed a trust, *Fondo Nacional del Café*. The resources of this trust have to be reinvested in the form of services for the coffee sector through contracts signed with the national government. Notwithstanding it being described as a private institution regulated by private law, Fedecafé was invested with important public duties such as managing the trust that incorporates tariff funds, representing Colombian interests in multilateral agreements regarding this product, and most importantly, granting permission to harvest coffee and map the regions where it could be produced. In addition, coffee growers could only sell their product to Fedecafé who organized storage (which could only be done in predetermined warehouses owned by the association and called *Almacafé*) and decided the best price and time to sell the grain. In addition, Fedecafé funded technical research regarding improvement in soil production, plague protection, and coffee improvement. This state-like institution was also in charge of building roads, subsidizing credit, designing and financing health programs for peasants, and improving access to education as well as environmental protection programs. Fedecafé was also in charge of all publicity regarding *Café de Colombia*.¹⁷

Most importantly, though, the Colombian government in an alliance with Fedecafé controlled monetary flows which in turn subsidized the sector. As a matter of fact, the National Coffee Trust (*Fondo Nacional del Café*) received aid from the Central Bank during the times when the price of the grain was low to subsidize the price at which coffee was bought by Fedecafé. During times of boom, when prices were high, the government prevented inflation by either buying up all foreign currency produced by coffee exports and saving them or keeping the produced dollars from Colombian national

¹⁷ *Id.* at 1–67.

accounts abroad.¹⁸ This anticyclical management was greatly celebrated as unique in the region.¹⁹

C. The 1990s: Weakening Fedecafé in Order to Promote the Free Market

Two interrelated events happened in the early 1990s that led to the decentralization of coffee within the country. First, the shift to neoliberal ideas among the ruling elite was incompatible with the interventionist, protectionist style that had characterized its management. On the other hand, Colombia shifted from being the exporter of an agricultural primary product to basing its economy on the export of oil and minerals:

During the 20th century, coffee has been the main sector of the Colombian economy in terms of its participation in the GDP, its contribution to the balance of payments, employment generation, regional development and income redistribution. During the last few years, the sector has lost its relevance in terms of foreign exchange resources and is no longer central when designing exchange, fiscal or monetary policy.²⁰

Along these lines, it is interesting to note how the economic historians who celebrated and described Fedecafé as an essential institution of the Colombian economy were later keen on weakening it in order to promote the free market. The Colombian government in 1993 called upon a group of experts (among them these economic historians) to reevaluate the role of both the association and the coffee fund in the centrality of the grain in the Colombian economy. Unsurprisingly, these experts determined that the role of subsidizing prices, holding resources, or buying up foreign exchange would be impossible in the future, as the state should set the internal price of coffee according to the market. In addition, as coffee lost its economic importance and was replaced by oil, there were fewer public resources to subsidize credit, provide access to health and education, promote the building of infrastructure, or protect the environment. As a result, economic technocrats shifted from occupying positions in the Central Bank and Monetary Council to the Ministry of Mining and Finance.

¹⁸ *Id.* at 413.

¹⁹ *Id.* at 415.

²⁰ *Id.* at 420.

III. THE DEPENDENTISTA NARRATIVE: THE CURSE OF COFFEE

One could say that coffee was a frontier crop in the majority of Latin American countries. Entire regions in Brazil, Colombia, Mexico and Central America were colonized thanks to the limitless thirst for coffee in the world. This colonization indiscriminately destroyed natural forests with devastating environmental consequences²¹

Marco Palacios, one of the most prestigious historians influenced by Dependency Theory in Colombia, has written extensively about the role of coffee in the country. Far from understanding its centrality as a decision of founding fathers and the enlightened few, Palacios focuses his analysis on the unequal terms of trade that characterize the exchange between center and periphery, the weak forms of development that are produced when the economy is based upon the export of a single product, and the role that the elites played in preserving this dependence. In addition, he places the history of the grain not with the founding fathers but describes how relations of production were determined since colonial times. Along with Dependency Theory inspiration, Palacios includes in his analysis the cultural role that the export of this grain played for the elites to consider themselves as civilized and part of Europe.

Therefore, and as the initial quote in this section shows, a country like Colombia was structurally determined to produce and export coffee because of the dependent patterns of production that were determined by its colonial past. Rather than narrating the history of the grain as a set of national decisions that are at times influenced by the global market, Palacios shows how the demands from the North were the determinant force behind the decision to cultivate the grain:

Once its consumption was popularized in Europe and the United States, coffee behaved like a basic product, with low elasticity both in terms of supply and demand. In other words, it takes an extraordinary price increase in order for consumers to stop the habit of drinking coffee or catastrophic falls in its price for producers to abandon their crop.²²

Along these lines, his analysis foregrounds the unequal distribution of resources which is produced by the link between consumption, production, and commercialization. He references extensive amounts of literature that

²¹ MARCO PALACIOS, *EL CAFÉ EN COLOMBIA, 1850-1970: UNA HISTORIA ECONÓMICA, SOCIAL Y POLÍTICA* 33 (4th ed. 2009) (author's translation).

²² *Id.* at 41.

demonstrate that it is the shifts in the international market that determine the parameters of Colombian public policy and not the other way around as conservative economic historians argue. By doing this, his aim is to unveil how economic power exercised by developed nations is translated into the existing social, economic, and political conditions in the periphery.

The founding fathers narrated the fact that coffee was produced in small plots by peasants as one of its many blessings as it promoted democratization and resource distribution. Palacios tells a very different story. According to his research, the fact that production was so fragmented limited peasants' bargaining power. In addition, and because coffee was mainly produced in family run plots, when there were price fluctuations of raw materials necessary for production or in the international market, the adjustment was made and suffered by individual households. This took the form of consuming less and working more hours:

The base of peasant coffee production is the family and the plot which form an inseparable unit: the work of family labors is the sole source of labor in the plot and the production of the land satisfies cultural and social needs of the family. Thus, production depends on the available labor force, and the use of arable land is determined according to the family's needs for consumption. The same logic follows participation in the market: the farm produces coffee as well as food for sustenance (in some cases for the market, such as plantains, beans, vegetables), coffee is sold in order to buy goods that are not produced such as clothing, tobacco and alcohol.²³

On the other hand, far from reaping the benefits from global market booms, according to research developed during the late twentieth century, coffee producers were poor—large families slept in the same room and most had no running water or electricity.²⁴

In addition, a Dependientista-influenced analysis of Fedecafé sheds a different light. According to this account, it is not the technical, neutral entity that promoted economic development through clear rules and institutional capacity building; rather, it privileged certain areas of the country over others, allowed environmental degradation and promoted very conservative views of the family and the state.

Finally, Palacios highlights the role that coffee had in terms of building nationalism and the longing to belong to the civilized world. As a matter of fact, both liberal and conservative leaders in the country managed to promote

²³ *Id.* at 68.

²⁴ *Id.* at 72.

the idea that without coffee there would be no civilization or nation, effectively linking the fate of Colombia to the adversities or triumphs of the coffee market.²⁵

IV. FOREGROUNDING THE LAW

Despite the appeal that a Dependencista analysis provides, it should be complemented with a foregrounding of the role of law. In this section, I shift the focus to the legal structure that created the conditions for the centrality of coffee in Colombia and the consequences these legal arrangements had on the distribution of resources.

A. *Property and Family*

The areas where coffee was initially grown in Colombia benefitted from the ways to acquire property established in the Civil Code of 1887, which are still in place today. In order to promote colonization of remote areas and the expansion of agricultural production for export of tobacco, rubber and coffee among others, the Civil Code established that property could be acquired after ten years of exploiting a plot of land. Economists have found that colonization was incentivized in order to promote the harvesting of exporting products. In addition, the titling was made easier and increased in volume during export booms:

The titling of public land followed the cycles in export prices as shown in Figure 1. Before 1850 only about 20 square kilometers per year were titled. The titling rose to 90 square kilometers from 1850 to 1865 as the export economy grew and export prices rose. During the quinine and tobacco export booms of the 1870s, land granting skyrocketed to nearly 4,000 square kilometers per year as the export price index rose from 300 to over 400. After a reduction in titling in the early 1880s, a new rise of over 50 percent in coffee export prices and export growth led titling to a new peak of 3,000 square kilometers in 1891–1895.²⁶

Land continued to be granted throughout the early twentieth century in order to promote agricultural production, importantly coffee and bananas. The titling process did not work equally for everybody. Most of the time,

²⁵ PALACIOS, *supra* note 21, at 61.

²⁶ Fabio Sánchez Torres, Antonella Fazio Vargas & María del Pilar López-Urbe, *Land Conflicts, Property Rights, and the Rise of the Export Economy in Colombia, 1850-1925*, 70 J. ECON. HIST. 378, 383 (2010).

only the wealthiest could afford it, as it was expensive and required lawyers, geographers, and resources to prove existing, adequate exploitation for ten years. This, in turn, was translated into the consolidation of large haciendas at one extreme and very small plot owners at the other. Academics studying the evolution of barren land adjudication in the early twentieth century have established that the concentration of property was enormous; most plots adjudicated were bigger than one thousand hectares.²⁷

Unequal access to property during this period culminated in the Constitutional reform which established the social function of property in 1936.²⁸ The consequences of this reform go beyond the objectives of this article, but it is worth analyzing two that had important consequences for coffee production. The availability of workers in areas that produced the grain was scarce. It is a difficult, badly paid job. Despite the fact that initially Fedecafé had opposed the social function of property constitutional reform and law, by the mid-1940s, they had seen the adjudication of small plots of land as a way of increasing production essentially by making workers small owners. In addition, price volatility opened the possibility for some big extensions to be broken up into smaller plots.²⁹ Far from being a redistributive initiative, small plots were burdened with debts provided either by the publicly owned bank established to promote agriculture, *Caja Agraria*, or the financial institution established by Fedecafé, *Banco Cafetero*.³⁰ Both of these financial institutions managed to tie small owners to coffee production and link them inevitably to the plans of production designed by Fedecafé.

Notwithstanding an increase during the late 1940s and '50s of small plot adjudication, power in Fedecafé continued to be concentrated in the most powerful growers. This in turn was translated into questionable decisions about the use of resources that belong to the coffee fund and to the privileging of types, areas, and groups of producers.³¹

²⁷ ABSALÓN MACHADO, *EL CAFÉ DE LA APARCERÍA AL CAPITALISMO* 174 (Editorial Tercer Mundo, 1994) (Quoting Legrand “barren land privatization proves the hypothesis of property concentration in the Colombian countryside.”).

²⁸ For more on this constitutional reform, see Helena Alviar Garcia, *The Unending Quest for Land: The Tale of Broken Constitutional Promises*, 89 TEX. L. REV. 1895 (2011).

²⁹ MACHADO, *supra* note 27, at 214.

³⁰ *Id.* at 256 (“In the XIII coffee congress of 1943, colonization received a strong impulse as a mechanism to counteract labor scarcity. Fedecafé appropriated important resources to study and legalize titles for small owners.”).

³¹ Jaime Forero Alvarez & Victoria J. Furio, *Colombian Family Farmers' Adaptations to New Conditions in the World Coffee Market*, 37 LATIN AM. PERSP. 93, 97 (2010) (“Critics of the Federation say that it has been governed by a closed group of large coffee growers and exporters who have steered some of its policies and administrative decisions in their favor. In addition, questions have been raised about the designation of resources for the purchase of certain assets that became onerous for the union.”).

On the other hand, small plots relied almost exclusively on the labor of family members. The base of coffee growing culture is the family and the farm, which are described as forming an inseparable unit. In some areas, wage workers were difficult to find, as the work of family members is what allows production in small plots. Therefore, cropping is structured according to the goods a family needs to buy and not according to generating a profit. As a consequence, the strengthening of the ideal coffee growing family—Catholic, biparental, and large—was essential for the survival of this style of production. This is why in document after document of Fedecafé, the link between religion, nation, and coffee is central to the success story of the grain.³²

B. Free Trade: Ending the Power to Zone and Manage Production

Fedecafé had the power to authorize regions of the country where coffee was produced for export. Although the authorization was described as a result of the fertility of certain areas, and the soil conditions that allowed determined areas to produce a specific type of grain that was less prone to suffer from certain crop diseases, the reality was that authorized areas were limited to the central part of the country, what was later called the coffee belt, *cinturón cafetero*. This rigid zoning was meant to strengthen the power of existing elites, but also to prevent over production.³³

In the early 1990s, it was evident that the grain export was losing ground. Free trade and the elimination of state intervention during this period further diminished Fedecafé's power to authorize cropping, provide social services, and manage specific cycles of the Colombian economy, weakened their capacity to manage local taxing and, consequently, the provision of social services or unemployment programs. Importantly, coffee production was liberalized, allowing areas in the Caribbean or in the South (such as the department of Nariño) to harvest the grain.³⁴

V. BACK TO ITALY

The end of the twentieth century saw the revival of coffee as a specialty drink, triggered mostly by independent coffee roasters opposing power concentration of three leaders: Procter and Gamble, Kraft, and Sara Lee. These three dominated eighty percent of the retail market.³⁵ Coffee

³² PALACIOS, *supra* note 21, at 68.

³³ *Id.* at 75.

³⁴ *Id.*

³⁵ MORRIS, *supra* note 5, at 151.

consumption was decreasing, and the big companies started lowering quality in order to stop the migration from coffee drinkers to caffeinated drinks to no avail. Independent roasters made the decision to compete, make the quality higher, offer a range of well-prepared beverages, and stop the use of the dripping method that tends to burn and make coffee bitter. This, in turn, has greatly benefitted the country's exports of Italian roasted grain imported from Colombia, among other countries:

Italy, as the originator of espresso, has been a major beneficiary of the specialty revolution. Exports of roasted coffee rose from 12 million kg in 1988 to over 171 million kilograms in 2015. Italian companies control 70 per cent of the global market for commercial espresso machines, routinely exporting over 90 per cent of their output. Groups such as Illy and Segafredo have established branded chains throughout the world using licensing and franchising options.³⁶

How much of this increase in production benefits Colombian producers? This article has tried to present different ways of answering this question. Among the factors to take into account are the unequal terms of trade between the North and the South, the power (or lack of it) of established local coffee elites, and, most importantly, property law, labor law, family structure, environmental regulations, and the decreasing power of Fedecafé.

³⁶ *Id.* at 159.