Guatemala Reflection Essay

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My one-week trip to Guatemala was nothing short of amazing. I came equipped to study culture, poverty, microfinance and left with new knowledge encompassing much more than I had expected. Upon arrival, our tour guide drove us through the busy streets of Guatemala City to the beautiful, historic, city of Antigua where we would spend a considerable amount of our time.

After eating a hearty breakfast and traveling across the cobblestone roads, we arrived at Museo Del Cafe, a coffee museum that provided a wealth of information regarding the history and economic significance of coffee. During our plantation tour, I learned about the complex journey of the coffee bean from the tree to the cup. Along the way, I read through several statistics relating to coffee production, export trends, as well as labor and compensation. I was shocked to find that for every dollar paid for a cup of coffee, 84 cents remains in the consuming country while only 16 cents comes back to the producing country. In other words, Guatemalan farmers are being underpaid for manually harvesting land while importers are receiving huge profits. The Fair Trade Movement emerged in response to this sort of behavior and aimed to regulate trade and help producers eradicate poverty and eliminate middlemen. Fairly traded coffee empowers individuals by recognizing a paying living wage rather than exploiting workers, which is actually a more marketable practice because consumers are more willing to purchase items that have been produced ethically. Also, many fair trade organizations are required to use a portion of their income to provide funding for social programs in order to foster educational advancement and economic growth in the local community. I really enjoyed our discussion with Carlos, who works with the Peace Corps; we briefly covered the points aforementioned as well as general information about the country. He stated that indigenous people constitute 60% of the country’s total population and live mostly in rural areas and that “las remesas” or remittances from Guatemalan emigrants are the second largest source of income for Guatemala.

Fair trade has its flaws: Carlos expressed that some leaders have inadequate knowledge to comply with regulations, some do not support community development initiatives, and some are satisfied with offering the bare minimum especially to migrant workers. All in all, I believe fair trade coffee is effective in empowering individuals, communities, and the overall Guatemalan economy when organizations act in accordance with the standards and when they are monitored frequently by the government.

I was very excited to visit every microfinance institution (MFI) listed on the SAGE itinerary to learn firsthand about the effects of microlending to underprivileged individuals. Namaste is a MFI located in Antigua that does incredible work to empower women through programs that teach financial literacy and business skills. Lending to women has proven to be more effective in breaking the cycle of intergenerational poverty because women tend to fully invest in their children’s health and education, thus creating a better future and increased opportunities for the youth. I was impressed with how rigorous the program was and how they only have a 2 percent default rate! Namaste’s basic development programs takes 9 months (the entire program last for 27 months).

After completing the 3-cycle program, clients are qualified for increased loan amounts when women are ready to start big business. I admire Namaste for reaching out to the community and providing women with valuable information and advice not just for business, but also for everyday life.

ADIGUA is a MFI located near Lake Atitlan, an absolutely breathtaking area. I was glued to the window for every commute to gaze at the blue water, rolling hills, dense forests, and volcanoes. Like Antigua, Lake Atitlan is a popular destination for tourists. ADIGUA is a fairly large MFI that is very solid in market with a great reputation. Its staff believes in establishing friendships and routinely communicating with clients at work and at home. Before issuing loans, lenders meet with families to determine the type of guidance and skills they need to thrive. They assist many tourist-based businesses through commercialization and outreach fairs to help entrepreneurs market their products.

I think I was most impressed by Mayan Families, which is a nonprofit created to assist vulnerable, indigenous people in Guatemala. Walking into the gates felt like walking onto a small, college campus that supplied everything you could possibly need. They provide free medical care at the clinic and have programs for each gender and every age group. Adults participate in classes and trainings of all types (nutrition, business, information technology, sewing, etc.). A volunteer of the microcredit committee mentioned that they leave groups accountable for loans because it builds a sense of community and additional support for keeping the business afloat. The program has a 0% default rate. Also, I was told to check out the website Serengetee that sells pocketed t-shirts, headbands, bags, and more with a patch of thread sewn by indigenous women! I walked through a classroom and witnessed women using rosa fabric to create such items, which was pretty cool if you ask me. It was inspiring to see organizations such as Mayan Families and Maya Traditions Foundation taking ancient art and putting a value on it to increase earnings for the indigenous population.

Visiting all the MFIs reaffirmed everything that I have been studying for the past few years about microfinance. I am so grateful that I had a chance to observe firsthand how microfinance works on an international scale! I confidently declare that microfinance is an effective tool in alleviating poverty when coupled with education though it is not an end all solution.

We concluded the trip with visits to a Macadamia Farm, the ancient Mayan Ruins (Ruinas De Iximche Tecpan), a home for disabled children, and the Institute of Mesoamerican Permaculture (IMAP). There are efforts to reduce pollution and utilize natural resources with little to no outside influence. IMAP developed three ethics of permaculture: people care, nature care, and fair share. Ronny, one of the founders, shared ancient agricultural practices along with IMAP’s initiatives to create more sustainable farming practices. He later posed a couple questions that stuck with me: What are you doing with your surplus? Are you giving it to the people who need it most or people who already have too much? He prefers to support local businesses rather than to put more money in the pockets of enormous, wealthy corporations.

Why is there still so much poverty in Guatemala? Lack of education is a serious problem that continues to affect young people mainly because parents cannot afford to send their children off to school. Instead, many parents disregard child labor laws and send children to the streets to sell merchandise or in rural areas, order children to help in the fields. Language barriers are an issue as well. The indigenous people of Guatemala (also the poorest) speak over 20 different Mayan languages so there has never been a sense of unity or an easy way to communicate. Corrupt business and government officials and lack of access to healthcare and banking pose a threat to the well being of underprivileged people of Guatemala as well. Perhaps more community outreach events and organizations that assist and educate low-income households in rural Guatemala will help. They should be taught marketable skills, they should not accept underpaid jobs, they should send children to school, they should have access to microloans, etc. Increased efforts are needed to equip underserved, under banked communities with tools for success, and the indigenous community must believe in themselves and become proactive in finding more desirable sources of income to pull themselves and their families out of deep poverty.

I would revisit Guatemala in a heartbeat. It was a pleasure to travel through SAGE with the Microfinance and Action crew as well as the Sacred Heart group to learn about microfinance, culture, economics, geography, and history in Guatemala. Thank you Ms. Kavass for making it possible!