TRADE UNION RESPONSES TO GLOBALIZATION

A review by the Global Union Research Network

Edited by Verena Schmidt

INTERNATIONAL LABOUR OFFICE • GENEVA

GLOBAL UNION RESEARCH NETWORK

V. Schmidt (ed.)
Trade union responses to globalization: A review by the Global Union Research Network
Geneva, International Labour Office, 2007

Globalization, multinational enterprise, workers rights, trade union rights, trade union role, international trade union, developed countries, developing countries
03.02.3

ISBN 978-92-2-119860-4

ILO Cataloguing in Publication Data

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address or by email: pubvente@ilo.org

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Typeset by Magheross Graphics, France & Ireland *www.magheross.com*
Printed in *(country)*

MORE THAN BANANAS: SOCIAL RESPONSIBILITY NETWORKS AND LABOUR RELATIONS IN THE BANANA INDUSTRY IN THE URABÁ REGION OF COLOMBIA

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Introduction

This paper seeks to apply a dynamic perspective to understanding the changing character of labour relations and associated social movements within the banana industry in Colombia and more specifically within the major banana-producing region of Urabá. It is based on of the results of a broader research on social responsibility networks (SRN)[1] and their role in improving working and living conditions for workers in banana-producing regions in the context of globalization.

Globalization has intensified many social problems and has exacerbated inequalities. It is widely believed that the same global movement of capital is also undermining the capacity of the State to effectively intervene to ameliorate these problems. The negative impact of globalization on communities and workers, along with the decline in the capacity of traditional political strategies to address these concerns, has led to challenges for labour and trade unions and other social actors (churches, NGOs, etc.). Unions and other organizations sympathetic to workers have adopted strategies of direct pressure on corporations, and collective bargaining is taking place around non-traditional issues. These new strategies and the corporate responses have contributed to new struggles and a discourse around issues of "social responsibility". It is to be expected that such a new strategy will be accompanied by both benefits and costs.

Traditionally, Colombia occupied third place in world banana exports after Ecuador and Costa Rica. In recent years, however, the Philippines have

[1] A social responsibility network (SRN) is a network of civil society actors and stakeholders as well as private corporations and state agencies that together provide a platform for social responsibility initiatives. Whether this concept is applicable outside the province of Urabá can only be determined by further research.

displaced Colombia to fourth place (FAO, 2006). The banana industry in Urabá employs 17,600 workers, of whom 15,000 are unionized, most of them with the National Trade Union of the Agriculture Sector, "Sintrainagro" (ENS, 2004; Torres and Guarnizo, 2004). The region of Urabá borders Panama and produces 83 per cent of the total number of bananas exported from Colombia. Ninety per cent of Urabá's economy is dependent on the banana industry (Torres and Guarnizo, 2004). The banana region includes four key towns: Chigorodó, Carepa, Turbó and Apartadó. Eight banana export companies operate in the region on a total of 344 farms. The banana industry in Urabá provides around 70,000 jobs – a means of employment and subsistence for more than 50,000 families (idem, 2004).

This paper is based on an ongoing study that is mainly a product of ethnographic research, using participatory methods. Multiple actors have been identified, though this study initially concentrates on three: trade unions, the employers' association and the Colombian State.

Particular emphasis is placed on:

- identifying relationships between the various groups of actors;
- exploring the capacity of different actors to undertake social responsibility initiatives and to demand such initiatives from others;
- describing the effects of different actors' strategies on the actions undertaken by the other actors, and
- analysing the developing nature of relationships within the context of an emerging SRN.

Banana business

Bananas are the world's most exported fruit in terms of volume. They rank first in export revenue for developing countries and second after citrus in terms of total value.

After more than a century, the banana business continues to be led by the "big four": three of them "dollar companies" (Chiquita Brands Int., formerly United Fruit Company; Dole Food Company Inc. and Fresh Del Monte Produce) and one Irish firm (Fyffes). These four, along with the Ecuadorian family enterprise Noboa, control distribution and retail sales in the global market. Even though there are many small and medium-size independent producers, most farms are owned by the big companies or supply fruit to them (Chambron, 1999; van de Kasteele, 1998; van de Kasteele and van der Stichele, 2005).

Since the beginning of the twentieth century, bananas have influenced South America, Central America and the Caribbean more than any other commodity. The transformation of the Americas into "banana republics" during the last hundred years has been the rubric under which the United States has been described as the colonizer of the rest of the hemisphere (Bucheli, 2005; Fonnegra, 1980; Litvin, 2003; Striffler and Moberg, 2003).

In Latin American countries, banana cultivation coincided with a wide succession of diplomatic, military and economic changes and movements. In the process of transforming the tropical rain forest into monoculture plantations, profound ecological, demographic, political and cultural changes took place. Banana companies developed towns, railways, roads, harbours, ports and electrification in the formerly impenetrable tropical forest. The integration of this frontier zone into the world marketplace, resulting from these structural changes, transformed the political and cultural identities of the indigenous people and immigrants as new forms of conflict, processes and actors emerged. The introduction of commercial banana cultivation presented new challenges for engineers, workers and entrepreneurs. From region to region in Latin America, the cultivation of bananas became connected to the process of capital formation, nation-building and labour migration both internally and internationally.

The early years of the banana trade generated demand for land, capital and labour. Banana companies needed to recruit a large number of workers both locally and abroad to establish the required infrastructure for large-scale banana production. Thousands of these workers sacrificed their lives in the malaria and yellow fever infested rainforest in order to make the banana trade possible.

Typically, technological progress has not been associated with good labour relations or democratic forms of governance. Labour unions, communist political parties and individual workers have resisted the attempts of foreign banana companies to impose poor working conditions and low wages. Often during these struggles, banana workers were divided by language, colour and national origin. While confrontational labour relations seem almost inherent in banana production, labour conflicts were resolved in distinct ways in different countries, and even within a single corporation, individual producers and managers designed diverse methods of labour control and recruitment.

Within the banana export sector, distinct roles have developed for MNEs, workers, contract farmers and the State. Vertically integrated enterprises are present in countries such as Colombia and Costa Rica where MNEs control all phases of production (Striffler and Moberg, 2003). This means the corporations own (or contract) plantations, sea transportation facilities and distribution networks in consuming countries. This is the best option to assure the coordinated flow of bananas, a highly perishable good, to the final destination. This perishability also demands a good relationship with most of the governments with which the corporation deals (Bucheli, 2005).

Colombia's main export product is oil, representing 26.2 per cent of total exports in 2006. In contrast, bananas represent 2.2 per cent of total Colombian exports (Mincomercio, 2006). In the year 2004, Colombia exported 67 per cent of its banana production to the EU and 33 per cent to the United States (FAO, 2006). Colombia supplies 11 per cent of the worldwide banana demand. Alongside banana production itself, there are associated industries such as logistics, cardboard production and box manufacturing, agrochemicals and marine operations.

In recent years the revaluation of the Colombian peso against the US dollar has reduced anticipated incomes for producers. The value of the US dollar decreased by 23 per cent from 2,962 Colombian pesos in March 2003 to 2,243 Colombian pesos in January 2006, lowering the peso value of sales denominated in US dollars (Portafolio, 2003 and 2006). Competition for entry into the European market and consequently for low-cost production is worsening labour conditions. In Latin America, there are variations in labour costs among banana producer countries due to wage differences, national labour markets, welfare regimes and labour efficiencies related to different types of landholding. Additionally, in order to compete, independent small producers are obligated to meet the same quality and environmental standards, food security regulations and efficiency levels imposed by the consumer markets as are large producers. These standards raise production costs, which in turn exert a downward pressure on labour wages and living conditions.

Due to the international character of the banana market, especially in the retail sector, and the extensive investment required in technology, logistics and marketing, more and more stakeholders are participating in the "banana global labour chain". Because of the importance of brands and private labels, competition makes banana companies increasingly sensitive to consumers' opinions and concerns as well as responsive to shareholders' demands. The companies must respond to claims concerning greater transparency, corporate governance, fair trade initiatives, human rights and sustainable environmental practices. Furthermore, the influence of secondary stakeholders (e.g. non-governmental organizations, the media, social movement activists), "best of" rankings, global standards, reporting initiatives focusing on multiple bottom lines rather than the traditional bottom line alone, and researchers and academics) impact on the practices and attitudes related to labour issues.

The EU imports 60 per cent of its banana consumption from Latin American countries and 20 per cent from the Africa, Caribbean and Pacific (ACP) countries. An additional 20 per cent of the bananas consumed in the EU are produced in the EU in such places as the Canary Islands (Spain), Madeira and the Azores (Portugal) and Crete (Greece), and also Martinique and Guadeloupe (France). After EU enlargement in May 2004, banana imports from the dollar zone (Latin America) increased by 70 per cent, and it is estimated that banana consumption will total 610,000 tonnes per year in the 25 EU Member States.

Labour relations and the socio-political background of Urabá

Colombia is a country with one of the lowest levels of union density in the world. However, in the banana industry, 95 per cent of the labour force is organized by trade unions. In the 1960s, trade union organizations were established in Urabá, including the Union of Agricultural Workers (Sintagro), the Trade Union of Banana Workers (Sintrabanano), the Union of the Workers of the Sevilla Fruit Company (Sinaltraifru), the Union of Agricultural Labourers (Sindejornaleros) and the Union of Banana Workers (Utraiban). At the end of the 1970s, the Revolutionary Armed Forces of Colombia and the Army of the People (FARC-EP) and the Popular Liberation Army (EPL) were actively involved in the two most important trade unions of the regions, FARC-EP in Sintrabanano and the EPL in Sintagro. The Army of National Freedom (ELN) also supported the trade union movement in Urabá (García, 1996).

The association of agricultural producers, Augura, is the trade organization which affiliates banana producers in Colombia. It exports 95 per cent of the banana production of Urabá (Augura, 2005). Furthermore, its trade organization functions as a national and international representative for the Colombian banana producers. Augura plays a critical role in collective bargaining and lobbying.

In Colombia, the 1970s and 1980s were a period of strong labour union development, notwithstanding the fact that this movement was mainly clandestine due to fear of being made redundant, potential imprisonment and death threats. Despite these obstacles, the labour unions attained organization and recognition. The early 1980s were a time of momentum for the labour movement in the Urabá region.

In 1984, collective bargaining was initiated on a farm-by-farm basis. Since there were more than 300 banana producers, negotiations were in progress for the whole year. For each production unit, bargaining was led by three worker representatives and one trade union official, a total of around 700 people. For security reasons, negotiations took place in the city of Medellin, 330 kilometres from Urabá, and the logistical costs were borne by the producers. At the same time, labour movement activists in the region of Urabá contacted banana workers in Costa Rica in order to learn about their experiences and to develop an international perspective concerning labour issues in the banana industry.

In 1985, the first banana workers' strike in Urabá took place. The aim of the strike was union recognition and freedom of association. As a result, a labour relations commission was established, representing the national and state governments and the employers' federation, to attempt to mediate future labour conflicts. From 1989 until 1995, labour relations in the banana industry in Colombia were characterized by collective industry-wide industrial contracts. Social order in the region was added to labour conditions as an objective of collective bargaining.

In the 1990s, the labour union movement underwent a process of political and institutional development. In the official constitutional referendum in 1991, Colombian society agreed to a new social contract in which different social actors could take part in the resolution of conflicts. This new social contract had three main elements: civil rights; participative democracy in social, political, administrative and cultural issues; and local autonomy. Despite this, the often deadly conflict in Colombia has obviously continued. At the same time, in 1991, the largest illegal armed movement in the region of Urabá, the Popular Liberation Army (EPL)[2] demobilized after a three-year process. Sintraingro decided to support the social reintegration process for the demobilized members of the EPL politically. The banana trade association, Augura, also supported the process of demobilization. This decision was pivotal for the region because it led to the creation of a network of social commitments within the labour movement and the banana trade organization, aimed at the integration of armed elements on the basis of social dialogue and social cooperation. Former members of the EPL were trained as banana workers and were offered employment contracts in the region. This initiative was crucial because, through this network, social security linked to employment had implications for the regional and national political and economic situation. The politics of employment in the region as a method of ending armed conflict in Urabá was led mainly by networking the banana producers' association Augura, the trade union Sintraingro and the Catholic Church. Armed groups in Colombia played a significant role in creating and sustaining employment for the working-age population, and it was through the process of social incorporation of those who voluntarily decided to lay down their arms and participate in the banana labour market that the pacification and social "integration" of the Urabá region was achieved.

Nevertheless, the politics of employment in the banana production enclave of the region were complex, and conflicts of interest between various social groups and armed groups were involved. In the following years, banana

[2] In Colombia as a whole, FARC was much larger than the EPL. A minority of EPL militants refused to demobilize, leading to serious conflict between the different factions.

workers were unwillingly caught up in conflict between armed factions of both the left and the right in the region. Many were killed, disappeared, or were forced to migrate.[3] These deadly attacks on banana workers were confronted and denounced to the world by trade unions and other NGOs such as the Catholic Church, with the support of the IUF and COLSIBA (the Latin American Coordinating Committee of Banana Workers' Unions, grouping 40 banana workers' unions in eight countries of Latin America). Sintrainagro and its membership were supported by the IUF and COLSIBA and gained international recognition for their struggle, which greatly raised the morale of the labour movement in Urabá. The trade union movement in the region of Urabá together with the Catholic Church developed a social commitment to political education. The active incorporation of former leaders of the EPL influenced a project of political emancipation, facilitating the establishment of a new political party as an alternative to the traditional parties in the region. The former illegal armed guerrilla group the Popular Liberation Army (EPL – Ejercito Popular de Liberación) was transformed into a legal political party, keeping the same initials. As a political party EPL was renamed Colombia Hope, Peace and Liberty (Esperanza, Paz y Libertad) in 1991, and today EPL maintains active democratic participation in the regional government.

Trade unionism and labour relations in general in Colombia have changed structurally in the last decade. In 1996, a Verification and Monitoring Commission replaced the earlier labour relations commission and added representatives from the trade unions and the Church. Secondly, the inclusion of an element in each contract referred to as a "Preambulo" was mandated. Each contract must include a statement of principles, values and goals which will set the framework for ongoing labour relations. Such principles include the harmonization of conflicting interests, training and information for worker committees, and continuing improvements in work and living conditions, as well as the adoption of social indicators and the observation of legal norms.

Between 27 May and 11 June 2004, 319 farms in the Urabá region went on strike for 16 days, with the participation of 14,900 workers unionized by Sintrainagro. Banana producer companies lost US$25.5 million, and workers' lost earnings amounted to US$5.44 million. The strike had three aims: a) a wage increase of 8 per cent, b) a contribution of 105,000 Colombian pesos per cultivated hectare towards a common housing fund and c) the introduction of a model to prevent outsourcing of secondary labour tasks (*El Tiempo*, 2004).

[3] Urabá was portrayed as the most violent corner of the world in the 1990s. The IUF reported that in 1995 more than 700 people were killed in Urabá. Of these 111 were active in the trade union movement, most of them being members of Sintrainagro (Iglesias and Pedraza, 2006). Trade union and political leaders of the region – such as the mayors of Apartadó and Chigorodó and the Vice-President and the General Secretary of Sintrainagro – were killed (Torres and Guarnizo, 2004).

The banana companies announced a plan to contract labour, through temporary manpower cooperatives and associated enterprises, to perform non-regular tasks on the plantations. Workers and Sintrainagro believed the introduction of this model would replace the current system of direct contracts and would damage the trade union movement in the region. Producers pioneered this model of contract in 2001 with Generación de Empleo y Soluciones Técnicas Ambientales (GESTA),[4] a cooperative with a membership of 230 women, aged between 19 and 65, who were heads of households and were widowed during the period of violence. These women collected nylon and plastic and recycled these materials to sell to other industrial sectors in different regions of Colombia. Their labour facilitated banana producers' compliance with environmental regulations on "clean production". The affiliated workers were compensated at an agreed rate according to individual performance (the amount of nylon and plastic collected in a working day measured in kilos). Trade unions criticize this model because cooperatives provide neither social security benefits nor regular wages. Also, these workers are not represented by a labour union.[5]

Both the Sintrainagro and the Sinaltrafru trade unions have proposed a type of contract called the *contrato sindical* (trade union contract), created and implemented by a trade union in a plastic producing company in Medellin, in which the trade union acts a contractor and employer but at the same time continues its role as a labour union. This model has its critics. Social movement activists, such as other trade unions and some left-wing political parties, have raised objections to the dual role of the trade union organization as the workers' representation body and as the employer, especially in the region of Urabá where a significant number of trade union organizers have run for local elections. This potentially would make the trade union organization a force for political, social, labour and capital control in the region.

As result of the 2004 strike, workers secured a wage increase of 7.63 per cent and a contribution to the common housing fund of 80,000 Colombian pesos per cultivated hectare. The 2004 collective agreement had as one of its objectives to respond to productivity and other demands imposed by commercial globalization and to protect labour rights. For this negotiation, the Verification and Monitoring Commission was constituted, with six members: two members from the trade union organization (Sintrainagro),

[4] The name of this cooperative translates to English as Employment Creation and Technical Environmental Solutions.

[5] As Rosa Luxemburg (1900) stated, "Workers forming a co-operative in the field of production are thus faced with the contradictory necessity of governing themselves with utmost absolutism. They are obliged to take towards themselves the role of capitalist entrepreneur – a contradiction that accounts for the usual failure of production co-operatives which either become pure capitalist enterprises or, if the workers' interests continue to predominate, end by dissolving."

two banana producer representatives, one representative from the Ministry of Social Welfare and one representative of the Catholic Church.

In 2004, banana producers presented to the Verification and Monitoring Commission proposals to modify contract conditions through the introduction of flexible work contracts. The implementation of this measure for the Urabá region would imply salary reductions and would impact on the quality of the life in the region. This measure would change income distribution in favour of the employers. The Escuela Nacional Sindical (ENS) found this measure would increase net profit to 44.69 per cent, and labour costs would be reduced to 10.7 per cent (ENS, 2004).

At present, the well-being of the Urabá region is under threat. As well as ongoing local security issues, the region faces intensifying international competition. On November 2004, the local social responsibility network, Fuerzas Vivas de Urabá (Urabá's Vital Strengths) was formed, led by Sintrainagro, Augura and the Catholic Church and with the participation of local government leaders, political parties, non-governmental associations, the Colombian army, the regional police department, local media and other trade unions. The objective of that regional assembly was the establishment of an agenda of active social and economic goals to compel the state to meet its responsibilities[6]. It focused on three main areas: the future of the banana industry; regional welfare concerns such as health, education, housing, employment and infrastructure; and security and public order for the region.

On 11 May 2006, 86.6 per cent of Urabá banana workers who were members of Sintrainagro voted either in favour of a strike or to go to an arbitration court, after failing to secure from the banana producer companies a new collective agreement and a wage increase of 10 per cent (Sintrainagro, 2006). Banana producers argued they were unable to meet workers' demands for an improvement in their living conditions due to the restrictions on access to the European market imposed by the EU, in addition to the revaluation of the Colombian peso, which created a loss estimated at 100 million US dollars. This revaluation has been partially compensated by government aid. The strike was averted when a three-year agreement was reached on 25 May 2006. It secured a wage increase of 6.5 per cent for the first year, full cost of living adjustments in the second and third years and an additional 1.5 per cent in the third year. Banana-producing companies will also arrange substantial financial contributions to the social, educational, cultural, recreational and sports funds (*El Tiempo*, 2006; IUF, 2006).

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[6] As is clear from the previous list, many of the participants are themselves part of that very state.

Observations

- The threat of a collapse of the Colombian banana industry on international markets generated a network of social actors whose main participants are producers, trade unions, workers, the Church, political parties and the Colombian State.
- As a consequence of this network, trade organizations (both trade unions and the producers' union) and their members allocated resources to regional social infrastructure development and compelled the State to address its responsibilities.
- The demobilization of armed forces in the region provided space for the creation of the SRN in the Urabá region which in turn provided a space for social dialogue with the various armed forces, achieving a process of pacification in the region. Just as trade unions sometimes serve as a recruiting ground in armed conflicts, they can also play an active role in the resolution of such conflicts. The presence of unions at the heart of the local economy and employment opportunities greatly facilitates this role. The Urabá experience indicates that conflict resolution will involve engagement with a wide range of social actors and members of civil society.

Globalization and changing labour relations in Urabá

The Colombian banana industry is itself an outcome of an earlier era of internationalization. Specifically, the industry in Urabá dates from the 1960s, the height of the post-war Pax Americana. The challenges facing the region today stem from multiple aspects of the current establishment of global neoliberalism. Paradoxically, these factors are pushing the region in two opposite directions. These opposing forces are at the centre of the decisions confronting the region today.

On the one hand, the current hyper-globalization of the banana market has led to a situation of oversupply on the international markets. In this way, the situation in bananas mirrors that in many other industries in the current period. Because bananas are a primary product produced in many developing countries, this has rapidly resulted in downward pressure on prices. This situation is exacerbated by demands from an increasingly centralized global retail industry for more competitive pricing.

The pressure of the international market for lower prices is becoming particularly acute because of expected changes in the EU banana regime. Currently, the EU is the only large importer which does not allow completely open un-tariffed access to its banana market for the "dollar" banana producers, which include Colombia. A regime of quotas and tariffs on imports above the quotas is imposed on the dollar producers, as a way of protecting banana producers in the former European colonies from competition. This system has resulted in dollar producers diversifying into the protected European zone and may have been a factor in Chiquita's and Dole's decisions to sell production operations in Urabá to local production companies.

This protectionist regime was challenged in the WTO by the United States. The WTO's GATT dispute mechanisms found that the EU regime contravened GATT rules. In 1997, the WTO dispute panel found the EU's tariff quota regime acted in a discriminatory way. A WTO ruling two years later allowed the United States to impose US$191.4 million in trade sanctions against EU goods and this led to the "banana war". In 2001, the EU agreed to change its import system and negotiated a unified tariff for all exporters. On October 2004, the EU announced its intention of imposing a duty of €230 per tonne of bananas when the new regime entered into force in January 2006. This tariff level, when combined with tariff preferences granted to the ACP countries, disadvantages Latin American producers. Latin American banana-producing countries have argued that an increase in the tariff "would bring about disastrous economic and social consequences for Latin American countries, eroding national incomes and destroying jobs throughout the region, where the banana industry is a substantial source of income and employment" (Bianchi, 2004).

At the same time, the elimination of quotas means that within Latin America, low-cost producers like Ecuador will be favoured over higher-cost areas like Urabá. All of these factors have conspired to produce a downward pressure on prices. Low wages and extremely poor working conditions have been imposed in Ecuador. This low-road strategy threatens a race to the bottom in conditions within the industry.

In contrast to the Ecuadorian industry, the Urabá region is currently pursuing an alternative strategy analogous to the high-road strategies pursued by some developed countries' industrial producers (albeit at the end of a protracted and bloody conflict). The viability of this high-road strategy in the banana industry is also conditioned by pressures emanating from the global market. The emergence of global marketing has created competition around the quality of the product. Unfortunately, this has more to do with the size, appearance and price of the banana than either taste or nutrition. Of perhaps more importance is the emergence of marketing concern for the ethical "quality" of the product. Historically, bananas have been marketed as a sunny, fun and sexy product. Widespread knowledge of impoverished workers, terrible working conditions and environmental damage threatens this happy image. It has consequently become possible to pursue a higher-priced strategy in conjunction with selling social responsibility and a consequently guilt-free product.

Moves in this direction in the Urabá region were conditioned by, on the one hand, the demobilization process of a significant faction of the armed struggle in the region and the temporary bankruptcy of Chiquita in 2001, associated with the restrictions on access to the EU market for Latin American bananas. Chiquita adopted a policy of "good citizenship" as a way of rowing back into the market's good graces. It concluded agreements with the Rainforest Alliance to certify the environmental performance of its suppliers, Social Accountability 8000 labour and human rights standards, and EurepGAP food safety in all its operations in Latin America. It also signed an important labour agreement with the IUF/COLSIBA federation of unions in 2001. These agreements have been associated with a recovery of its stock price.

Nonetheless, this "exemplary citizen" face of Chiquita was challenged in the international media after its public admission in April 2003 of protection payments made to a right-wing paramilitary group in order to ensure the safety of its employees in Colombia (Chiquita, 2004a). Not long after this news, Chiquita sold its banana operations in Colombia to a Colombian-based producer, C.I. Banacol S.A, for US$37 million (Chiquita, 2004b)[7] as part of a cost-cutting strategy and a move to higher-value products. Unions in Urabá were consulted regarding the sale agreement, in which the new company undertook to respect the union contract and to maintain the environmental, social and safety standards previously introduced for eight years. Furthermore, Chiquita committed itself to buy Banacol production for a period of eight years.

During the ILO's 95th International Labour Conference in Geneva (31 May to 16 June 2006), a tripartite agreement was reached between the Colombian Government, employers and workers, providing for a permanent ILO presence in the country. The agreement includes technical assistance to the Decent Work Country Programme and the promotion and defence of fundamental workers' rights, in particular as regards the right to life and freedom of association and expression, as well as collective bargaining and freedom of enterprise for employers (ILO, 2006).

Despite these efforts, exponentially multiplying pressures to reduce costs and lower prices and the unpredictability of market access politics put this strategy in jeopardy. The pursuit of this strategy has risks for employers, workers, and their communities, and also the participating multinationals. The

[7] After a federal court case initiated in March 2007, Chiquita Brands International received a sentencing memorandum from the United States Department of Justice on 10 September 2007, imposing a fine of US$25 million (Chiquita, 2007). The sentence was handed down after the company was charged with making payments of US$1.7 million to paramilitary groups during the period 1997–2004. The court decision sparked outrage by the Colombian Government and others who accused the company of buying impunity. Colombia's Government requested the US$25 million be transferred to the region of Urabá to be allocated to social programmes in aid of victims of paramilitary violence (*El Tiempo*, 2007). According to testimony given at the court case by the paramilitary group, all banana companies operating during that period in the region made payments to paramilitary groups (*El Tiempo*, 2007).

strikes in May of 2004 and the negotiation process in May 2006 indicate that the long-term conflict of interest between worker and employer has not disappeared. In the global capitalist market, any strategy intended to avoid participating in the threatening race to the bottom in terms of standards of living and working conditions walks a fine line, with precipices of deteriorating social conditions on one side and the loss of international markets to cheap competition on the other. So far, developments in Urabá have been somewhat encouraging. The future, however, remains deeply uncertain.

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