

Dole, behind the smoke screen...

An investigation into Dole's banana
plantations in Latin America





This document is based on a number of contributions, reports and testimonies from people on the ground, people working in the plantations, trade unionists and environmentalists, mainly in Latin American banana exporting countries and on a combination of independent research, public materials, and company documents.

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**Introducing *Dole*
Food Company
and its banana
business**

“As a company, we have long enjoyed a coveted reputation for ethical conduct in all of our business dealings, for our respect for the environment, and for our high regard for and fair treatment of our people. We respect and comply with the laws and regulations of each and every country where we operate, as we must do. We also must continue to endeavour to do what is right for our customers, our employees, our suppliers and our country hosts. These principles are integral to our company culture”.

Letter from Mr David Murdock, CEO/ President of *Dole* - introduction to the new *Dole* Code of Conduct (2004).

Dole Food Co. is a company that likes to pride itself on its social and environmental standards. The company's own literature leads the reader to believe that *Dole* is one of the most advanced corporate citizens when it comes to ensuring high labour standards and respecting the natural environment. The company claims - to European importers and buyers, for example - that it respects the freedom of association and the right to collective bargaining, as guaranteed in the Constitution or labour law of the countries where they operate. However, in common with most other fruit companies, there is little evidence to support the claim. Indeed, there are plenty of examples of the company's

unwillingness to allow independent public and trade union monitoring of their social responsibility claims.

One of the instruments in *Dole's* armoury for selling its bananas and other fruit to customers concerned about such issues is the environmental management standard ISO 14001. Companies have been certified to this standard because buyers, initially in Europe, demanded it. However, the standard only refers to the management system in place within a company to identify potential environmental hazards. It says absolutely nothing about actual environmental performance. As evidence from Costa Rica shows, *Dole* is one of the fruit companies with the worst environmental records. Not only has the company been implicated in avoidable pollution incidents, but there is evidence that the company has lobbied government to weaken laws controlling the aerial spraying of fungicides.

Additionally, most *Dole* banana and pineapple plantations have recently been certified to the Social Accountability 8000 standard, giving it another tool with which to convince importers, retail buyers and consumers that it is a champion of social responsibility.

Dole's smoke-screen of double-speak and certifications has convinced many who have no access to information about what happens on the ground inside plantations. However,

nobody should be left under the impression that this is a company which welcomes free trade unions and collective bargaining as defined in international law. Nor should a few buffer zones along riverbanks and flowers at the entrance to plantations persuade the casual visitor that *Dole* is an environmentally responsible citizen.

The focus of this document is *Dole's* Latin American banana operations, although the authors believe that the picture painted is unfortunately representative of many *Dole* operations around the world.

This document is based on a number of contributions from people on the ground, people working in the plantations, trade unionists and environmentalists, mainly in Latin American banana exporting countries. Our aim is to contribute to a more accurate portrait of the biggest single sector of the company's operations, as well as to motivate *Dole* to change its practices in a more sustainable direction with full respect for workers' rights and the environment.



CHAPTER 1

The world's biggest fruit company

Banana containers on a ship belonging to the Dole fleet.

Dole is a multinational food company that was founded in 1851 in Hawaii to produce pineapples. According to its own annual reports it is the world's leader in the production and trading of fresh fruit, vegetables and fresh cut flowers. It sells more than 200 products in 90 countries, and employs 36,000 workers as well as 23,000 seasonal workers.

The company controls at least one quarter of the international banana market, slightly ahead of *Chiquita*, its eternal rival. In 2005, it was estimated to have over 36% of the US banana market. Despite its oligopolistic nature - the domination of the market by a handful of big multinationals - the banana market is subject to fierce competition between the different players. *Dole* started competing with the virtual monopoly of *Chiquita* as early as the 1920s. It was the challenger until the end of 1990s, but has now become the world's leader and is the number three banana company in the European Union, behind *Chiquita* and *Fyffes*.

Dole is a wholly owned private company belonging to David H. Murdock and his family. Murdock completed his acquisition of *Dole* assets and de-listed the company from the New York Stock Exchange in 2003. For the public this implies a lower level of transparency. For the owner, who also presents himself as chairman, president

and CEO of the company, it is "opening up long-term opportunities while minimizing the short-term pressure of the public equities market".¹

David Murdock is one of the richest men in the world. He also has a long history of being anti-union. He was the target of one of the biggest organising campaigns in the U.S. textile industry, at Cannon Mills in North Carolina. He beat the union and never handed over the workers' pension money. Last year he was quoted as saying: "I fought the union and won..."

Dole get its bananas from its own plantations, from plantations in which it has shares, and from other independent suppliers in Costa Rica, Guatemala, Honduras, Ecuador, Colombia, Cameroon, Ivory Coast, the Philippines and – since early 2006 - Ghana. Around 30% of bananas marketed by *Dole* come from its own plantations. Of the big multinational banana companies, it is the only one to have its own plantations in Ecuador. Since *Dole* left Venezuela and Nicaragua, stopped buying bananas from Nicaraguan farmers and sold most of its plantations in Colombia, the company has focused on the country with the lowest production costs: Ecuador.

Dole, like *Chiquita* and *Del Monte*, is vertically integrated. It controls production, packaging, export, shipping, import and ripening. This vertical integration enables the company to absorb a greater part of the total added value of the product

¹ Dole annual report - 2003.

and to get profits from service activities which have become more lucrative than production itself.

In the last few years, *Dole* has reduced its involvement in fruit production. The company's withdrawal from owning its own farms corresponds to a shift in the balance of power in the sector. It has become more important to control the end of the value chain, closer to the consumer; in addition, this strategy means that *Dole* is able to shirk from its social responsibilities towards the tens of thousands of plantation and farm workers who depend on the company for their livelihoods.

Dole : Some figures...

- Net sales of bananas in 2003: US\$1,347 million.
- 27,000 hectares of banana plantations owned in Latin America in 2003.
- 127 million bananas boxes of 18.14 kg (40 lbs) sold each year worldwide.

Source: Dole, 2005



CHAPTER 2

Trade union and workers' rights in the banana plantations

Workers on strike in the El Zapote banana plantation (Ecuador – 2005).

“Dole pays wages and benefits that are competitive within its industry and that allow workers and their families to have a good standard of living commensurate with the societies in which its workers live and work. [...] Dole respects the freedom of the individual worker to join the union of his or her choice or to refrain from such membership. Employees who have chosen unions in accordance with applicable laws and regulations are entitled to bargain collectively through representatives of their own choosing”.²

In practice, *Dole* supports an anti-union policy in nearly all its plantations. Workers' rights to organise in trade unions and bargain collectively are not mentioned in its code of conduct. Employees have to sign a written statement to say that they have been informed about the code. At the same time, the company continues to lower production costs, putting wages and working conditions under pressure. In the banana industry, it is the one of the three big multinationals with the lowest number of trade unions in Latin America today.

Two countries have become the centre of *Dole's* activities in the banana trade: Costa Rica and Ecuador. They are countries with a notoriously low capacity or commitment to enforce their own labour legislation and fundamental labour rights.

● Costa Rica : keeping bad company

Costa Rica is the world's second biggest exporter of bananas with around 14% of world trade in 2005. The production of bananas dedicated to export represents about 40,000 direct jobs and about 60,000 indirect jobs for 40,000 hectares of plantations. *Dole* owns some 30 plantations there and buys from another two dozen independent plantations



In October 2000, *Dole* laid off all its workforce, offering to re-hire them the next day with wages that were from 30 to 40% lower; an example set by *Del Monte* the previous year.

The working conditions in the banana plantations are very difficult. These conditions are made worse by the anti-union policies implemented by *Dole* and its sub-contractors. Wages are too low to cover basic needs and working hours are extremely long. Plantation and packhouse workers are paid by piece-rate, which means that, in effect, overtime is rarely paid. Jobs are insecure, as there is always a queue of poor immigrant workers (many of them from neighbouring Nicaragua) desperate enough to work almost regardless of wages and conditions. In Costa Rica, many observers and unions representatives are

² Extract from *Dole's* "Labor Policy", part of its Corporate Social Responsibility statement. See www.dole.com

convinced that *Dole* enjoys influence at every level of the state: politicians, judges, and civil servants in the Ministry of Labour and Social Security. The company also seems to enjoy de facto impunity when it comes to its non-enforcement of the constitutional right to the free organisation of trade unions and workers' right to bargain collectively.

Costa Rican law allows for the formation of «comités permanentes» - permanent workers' committees - elected by all employees in each workplace. In banana plantations these committees typically comprise three or five workers. However, the plantation administration and management employ an instrument to influence these committees: the instrument is the «solidarista» association³. These associations are part of a national movement - solidarismo - which receives very generous financial backing from companies like *Dole*.

The solidarista movement was promoted heavily in the first half of the 1980s - at the height of the cold war in Central America - as an instrument for ridding the banana industry of the independent trade unions. The solidarista associations, which offer workers a savings and credit scheme as well as sporting and leisure activities, have been turned into the eyes and ears of management. One of their main jobs is to monitor any signs of interest in forming or joining independent trade unions. Sindicatos – trade unions - are painted as the ideological enemy, even as the work of the devil. A further important role that these

solidarista associations fulfil is to ensure that the workers elected to the permanent committees are not trade unionists.

Another key instrument of the Costa Rican smoke-screen is the «arreglo directo» - literally, "direct arrangement". This instrument, although provided for in the Labour Code, is used as a pseudo-agreement drawn up by company management setting out employment terms, working conditions and piece-rates. These "arreglos" are then rubber-stamped by the permanent committee members and presented to the outside world as being synonymous with free collective bargaining. However, in practice, workers have little or no input into the terms of these agreements, there is no negotiation as such, and workers have no mechanisms for the expression of grievances.

According to *SITAGAH* and *UTRAL* (independent plantation workers' unions in the regions of Sarapiquí and Valle de Estrella respectively), seven collective bargaining agreements were signed between *Dole* and *SITAGAH* or *UTRAL* in the 1980s. But the multinational managed to remove the unions from the plantations, get rid of the collective agreements and set up a system favouring the employers. There has been no *Dole* plantation in Costa Rica with a collective labour agreement for the last two decades. All collective bargaining agreements have been replaced by these so-called "direct arrangements" that favour the company and the solidarista movement.

³ See box on Solidarismo in Costa Rica page 19 And «What is Solidarismo? Costa Rican style union-busting» by War on Want/ Banana Link, 2003. Available on www.bananalink.org.uk

Repression of trade union members is still the norm and *solidarismo* is officially encouraged by most sectors of the industry (although *Dole* is probably the biggest single supporter of *solidarismo*). For *SITAGAH*, *Dole* is one of the most repressive multinationals. As soon as a worker becomes a member of the union, efforts begin to lay the worker off or force him/her to leave.

» Recently, *Dole* has acted to 'dis-affiliate' members from *SITRAP* (a plantation workers' union in the region of Siquirres) in its own **Las Perlas plantations**. While *SITRAP* succeeded in recruiting 10 new members, other unionists were expelled or pushed to leave the union between October and November 2005. The union members were visited by a *solidarista* promoter. Along with members of their families, they were threatened with dismissal, being black-listed or with having their wages lowered. They were called 'enemies of the company'. One of them was given a day off – as well as a bus ticket and lunch money - and was told to go to the union office and sign off his membership of *SITRAP*.

Sub-contractors

The situation is far from being any better in *Dole's* suppliers plantations. The multinational's behaviour as regards the anti-union policies of its sub-contractors generally consists of ignoring the issues or claiming that they can not interfere in their "internal affairs".

» In the **Carrandi plantations** (belonging to the *Acon* group, *Dole's* biggest sub-contractor), a unionisation campaign was launched in 2002. The Labour Ministry had to intervene for the freedom of association to be granted in the plantations. But the company reacted very quickly by organising a big anti-union campaign of its own. Many workers have reported the methods and strategies used against the trade union. *Acon* used bribery and blackmail, for example offering a house to every worker prepared to give up the union. In exchange for the keys to a house, workers had to prove they had left the union. In other cases, they were promised jobs for their family members if they left the union. Threats to lay off members of their families are common, as well as black-listing, pressure and discrimination. During August and September 2005, five union activists were forced to quit their union. Despite this array of tactics, *SITRAP* still has around 100 members of the 800-strong work-force.

In 2005, the Costa Rican banana trade unions coordinating body, *COSIBA-CR*, called on the multinational, at national level, to address, amongst other issues, the violations presented in this document. They proposed to *Dole* a written agreement binding the two parties to work together on several key issues such as the freedom of association, the environment and mechanisms for permanent dialogue. *Dole* did not sign an

Working in a banana plantation

In the Carrandi plantations, working hours are from 5am to 4pm. The average monthly wage is 120,000 colones, that is US\$ 240 (200 euros). Workers estimate that they would need between US\$320 and US\$500 to cover the basic needs of their families.

Each month, when they visit the plantations, the workers' committee list between 10 and 15 new health and safety or other problems. Two of the most serious issues are aerial spraying (of fungicides) while workers are still in the exposed area and unlimited and unremunerated overtime.

agreement in 2005, despite a series of meetings with *COSIBA-CR*. The company made no follow-up or undertaking on any of the requests presented by the unions.

At the end of January 2006, the company proposed working towards another agreement which, instead of giving legitimate room to free and independent unions, would mean leaving the solidarista movement and its promoters free to conduct their particular form of psychological warfare inside

the plantations. So, in February 2006, *COSIBA-CR* decided to call a halt to negotiations with *Dole*, citing four main reasons:

- 1) That *Dole*, in spite of verbal agreements to the contrary, had already spread the news that a framework agreement was being signed, thus taking commercial advantage of the dialogue.
- 2) That there had been no practical demonstration in *Dole*-owned plantations of a change of policy and improved respect for workers' and trade union rights.
- 3) That no will had been demonstrated whatsoever to intervene to help stop the violations of workers' rights in *Dole* supplier plantations.
- 4) That *Dole* refused to encourage its suppliers to participate in conciliation meetings convened by the Labour Ministry concerning alleged labour violations in those supplier plantations.

● Ecuador: unfair competition

Dole's biggest single producing and trading operation is now in Ecuador.

Dole has invested in the Ecuadorian banana industry because Ecuador has the lowest banana production costs in Latin America. This partly explains why the country has doubled its



Dole started to buy plantations in Ecuador in 2002 and now owns some 19 plantations. It owns the second biggest exporting company (Dole-Ubesa) and one third of its Latin American bananas come from this country.

exports over the last 20 years. Ecuador is now far and away the world's biggest exporter, with almost a third of all dessert bananas traded internationally. Banana production and export activities account for between 200,000 and 250,000 direct jobs.

From a trade union and social point of view, the situation in the banana plantations is unacceptable and, in many respects, illegal. A report published in April 2002 by Human Rights Watch⁴ denounced violations of the national labour laws and caused a scandal by giving evidence that many children worked in the plantations. The report also denounced systematic violations of the freedom of association, exhausting working hours, as well as low wages.

Concerning child labour at *Dole* plantations, the report said: "...of the forty-five children with whom *Human Rights Watch* spoke, thirty-two stated that, at some time, they had worked on plantations primarily producing for *Dole* and an additional three on plantations producing sporadically for *Dole*. The average age at which these children began working on plantations supplying *Dole* was approximately eleven and

a half, with two starting at age eight and two at age nine. Most of the children, as described, labored in conditions that violated their right to health, and the majority no longer attended school.

Three of the young girls interviewed also described the sexual harassment they had experienced in the packing plants of one of *Dole's* primary suppliers - the plantation group Las Fincas in Balao. Several adults also told *Human Rights Watch* about the 'permanent temporary' contracting arrangements they had with *Dole* suppliers or subcontractors hired by those suppliers that impeded their enjoyment of labor rights. Although *Human Rights Watch* wrote to *Dole* to confirm the company's contractual relationships with these plantations, *Dole* asserted that information regarding these relationships is 'proprietary business information, which *Dole* does not publicly disclose.'

Although *Dole* and other banana companies have set up a national forum to tackle the issue and encourage children into education, under-age workers have been found recently in *Dole* supplier plantations. A September 2005 worker rights petition from *Human Rights Watch* to the US Trade Representative concluded that very little has improved in terms of enforcement by the Labor Ministry⁵.

Although *Dole* respects the minimum official price per box of bananas imposed by the government, the price paid by *Dole* is still too low to enable most Ecuadorian producers to pay

⁴ See www.hrw.org/reports/2002/ecuador/

⁵ <http://hrw.org/backgrounder/business/ecuador0905/index.htm>

fair wages to the workers. The minimum wage in Ecuadorian agriculture is US\$ 160 per month (130 euros) for a 10 to 12 hour workday, but this represents less than half of what is required to cover basic needs.

Protection of workers' and trade union rights in Ecuador is so weak that it has become an issue in the ongoing free trade negotiations between the country and the United States. The casualisation and insecurity have increased because of the development of a whole semi-legal system of intermediary labour sub-contractors, the so-called "tercerizadoras". Workers are now employed by these sub-contractors and not by the owner of the plantation. These workers have no job security at all and are not entitled to social protection or paid leave. Even the government now admits that these labour sub-contractors deliberately keep the number of workers employed by each one of them to less than 30, which is the required number to form a trade union. In this way the organisation of a workplace-based trade union has become next to impossible. The trade union federation, *FENACLE*, has been campaigning against this system since 2003; in recent months, the Labour Ministry has recognised the extent of the problem – which goes well beyond the banana sector – and has promised to legislate.

Workers who work for *Dole* suppliers have been forced into long struggles following labour violations, union persecution,

occupational hazards, rapid degradation of the environment, legal conflicts, armed repression, child labour, denial of the right to social security (from plantation owners' refusal to pay into Ecuador's national health system the contributions deducted from workers' wages), threats of dismissals, delays in paying wages, long working days and refusal to pay overtime, sexual harassment and other labour and human right violations that contradict the company's own code of conduct and their SA 8000 certifications.

In addition, the unions, just like in Costa Rica, have to face the anti-union policies implemented by *Dole* and its sub-contractors. There are few trade unions at the independent producer farms that supply *Dole* and none in the plantations owned by *Dole*, because attempts to organise trade unions are normally met with determined resistance.

» In the **El Zapote plantation**, one of *Dole's* suppliers, a hundred workers have been on strike for months. On 3 October 2005, 136 workers who had signed the founding document of the trade union were barred from entering their workplace. They declared a strike on 7 October. They are protesting against the dismissal of 98 workers after the creation of the new trade union. On the night of 21st October 2005, the plantation workers were evicted by a group of 100 policemen and armed guards who had been sent by management and the police.

A former Zapote worker and striker forced (in order to feed his three daughters and wife) to seek work at another nearby *Dole* supplier was told in March 2006 that a memo had been seen in the farm office stating that he was not welcome any more in any of the four farms belonging to that particular owner.

» As soon as workers on the **Tara Del Sur, Francia and Manuela plantations** (all of them *Dole* suppliers) exercised their constitutional right and set up a union in 2004, the company started dismissing the workers who had signed the union's registration document.

» In the **Josefa plantation**, 12 union leaders and 4 other workers were barred from the plantation on 23 January 2006, even though a provisional collective agreement had been signed. They were asked to go and pick up their severance payments.

» In the **Maria Elisa plantation**, 120 workers were laid off because they had tried to form a trade union. An agreement was reached with the management of the plantation, which enabled 80 workers to have their jobs back. However, the union leaders have not been reinstated and the creation of the union has been dropped.

» In spite of employers' resistance, recent efforts to form unions on farms in the province of Guayas, have been successful in the case of the Vizcaya, Primavera, Párame, and San José plantations who are all *Dole* suppliers.

● The rest of Latin America: few bright spots

The situation in most other countries in Latin America where *Dole* has plantations and/or sub-contractors is no better. Only in Honduras are *Dole*-owned plantations unionised and with collective agreements.

In Guatemala, the suppression of any attempt at union organisation is severe, especially on the Pacific coast where *Dole* sources large quantities of bananas. Threats of violence against those who want to organise unions are constant.

» An unresolved labour conflict goes back to 1998, when trade union representatives were fired from the *Dole* plantations in the Caribbean coastal province of Izabal. It escalated into ordering the arrest of trade union representatives and the legal adviser of the workers. *Dole* accused them of sabotaging production. The plantations were later sold off.

Solidarismo in Costa Rica

In the early 1980s, an unholy alliance of multinational banana companies, the US Embassy, the Costa Rican government and a section of the Catholic Church hierarchy set about creating an alternative to the independent plantation workers' unions. At the time, trade unions had almost 100% affiliation and strong collective agreements across the industry. Solidarismo was born and its energy has been channelled into ridding the economy of free trade unions.

A solidarista association is a legal form of workers' association. Its ideology rejects the existence of any conflict of interest between employers and workers and it is kept under management's control.

In contrast to negotiations between a union and employers, the solidarista associations do not engage the company on core issues such as wages and working conditions; nor do they attempt to address grievances or defend individual or collective workers' rights.

Funds for the campaign to win the hearts and minds of the banana plantation workers are channelled through a Catholic Church institution, known as the Escuela Social Juan XXIII (John XXIII Social School). A central part of the message which workers receive at the School is that God smiles on solidaristas, whilst trade unions are the work of the devil.

The movement was given an early boost when it was openly handed a two million US dollar cheque from the US Embassy at a press conference in San José in 1982. Since then, companies like Bandeco (Del Monte) and

Standard Fruit (*Dole*) have shelled out tens of millions of dollars for the work of the Escuela Social over the last two decades, presumably to buy 'peaceful labour relations'.

By the early 1990s, the solidarismo movement had almost destroyed the independent trade unions in the banana industry in Costa Rica. The ILO has specifically ruled that solidarista

associations do not meet the requirements of 'free association'.

Since 2001, despite the 'black list' of 'union-friendly' workers that is circulated by all banana employers - and despite constant sackings of union members and a vast array of other tactics used by employers to frighten people off the unions - the four member organisations of the Coordination of Costa Rican Banana Workers' Unions (*COSIBA-CR*) had started to make gains in membership. With all the odds loaded against them for the last 20 years, it seems that the efforts of solidarismo to convince workers that trade unionism is part of a dangerous plot to undermine Costa Rica's very particular type of democracy are starting to be met with scepticism.

Extracted from a leaflet "What is Solidarismo? Costa Rican style union-busting", published by Banana Link and War on Want in 2003.



CHAPTER 3

Environmental impacts: denying responsibility

- *Aerial spraying (top).*
- *Waste generated as a result of intensive banana production (middle).*
- *River pollution in Costa Rica, October 2001 (bottom).*

“The environment is not merely public relations issues, it is an operation issue”.

Dole’s programme for the environment makes provision for the prevention of risks, reducing waste and preventing pollution. Dole has declared that in the plantations they use sustainable agricultural practices such as integrated pest management.⁶

Bananas grown for export are produced using intensive agricultural methods which depend on high levels of inputs. As well as using single-crop farming, according to an agro-industrial model, banana plantations use a wide range of agrochemical products and generate a large amount of waste. The pollution of land, water-courses and groundwater, as well as the loss of biodiversity are amongst the major risks of this model of production. This industrial production system enables *Dole* to market huge volumes of bananas, thereby generating economies of scale throughout the value chain.

The bananas produced or marketed by *Dole* mostly come from large ‘industrial’ plantations that cover several hundred hectares each. In Ecuador, some of their supplier farms are smaller, but in Costa Rica and Guatemala a typical banana plantation is over 250 hectares.

Pollution incidents are sadly common in Costa Rica. Very recently, *Dole* has been involved in several cases of river pollution in this country.

» On 12 January 2003, 3,000 litres of Bravo 72 fungicide spread into the water system near Bataan airfield, from where the planes *Dole* and *Del Monte* used for aerial spraying operate. This pollution reached the Pacuare river and killed thousands of fish and other species that live in and feed from the river. It also reached the river mouth and seriously affected the coral reef off the Caribbean coast.

For several years, the *SITRAP* trade union has gathered information, evidence and witnesses to establish the responsibility of those who pollute. According to the union, the pollution was caused by a leak in a chemical tank that belonged to *Dole*.

A complaint against *Dole* was lodged in an environmental court. After a year long procedure, a conciliation was arranged between the Ministry of the Environment and the multinational and an agreement reached. In this conciliation, *Dole* undertook to pay 50 million colones (US\$ 115,000 / slightly less than 100,000 euros) to restock the river and put a system in place to facilitate the prevention of such pollution incidents. However, the conciliation states

⁶ See www.dole.com

nothing about the responsibility of *Dole* in the pollution of the Pacuare River; the company refused to admit its responsibility. *Dole* repeatedly declared to the media that it was exempt from any responsibility in that incident, and that it “*wished to support this initiative and reaffirm its commitment to produce in harmony with nature.*”

In a written agreement proposed by *SITRAP* and then negotiated with *Dole* in 2005, the company was scheduled to modernise the Bataan airfield in order to prevent any pollution of the waters nearby. This agreement was presented to *Dole* in July 2005, but the multinational never contacted the union again until a new case of contamination occurred on 22 November 2005, in the same area. The inhabitants of a village situated near the airstrip alerted the authorities to an ecological disaster: a “milky liquid” had spread into the waters of the canal and several animal species were found dead. The first evidence collected on the spot by *SITRAP* showed that it could be *Dole's* responsibility.

» In the same year, the Madre de Dios river was contaminated, causing the death of thousands of fish. The research done by *SITRAP* led them to the Las Perlas plantations owned by *Dole*. Information on this incident and the mention of the possible responsibility for the toxic contamination was displayed on *COLSIBA's* website. *Dole* immediately reacted and the head of the company's legal department in Costa Rica wrote to *SITRAP* asking for the information to be removed from the site. The tone of the letter was threatening and intimated that a legal action against the union was being considered.



CHAPTER 4

Banana workers' health and safety: daily hazards

Demonstration led by women DBCP victims (top).

Meeting of male and female DBCP victims in Costa Rica (bottom).

“In Dole’s farming operations, we use sustainable agricultural practices and integrated pest management methods that employ biological and cultural approaches to controlling pests and plant diseases. We use crop protection products only when and where necessary, and always with the proper care and in accordance with applicable laws. Dole will not use, anywhere, any product banned for reasons of unacceptable health or environmental risk by the United States Environmental Protection Agency or by the European Union”. »⁷

⁷ See Dole Code of conduct – chapter on environmental policy.

The use of toxic chemical products is not only to the detriment of the environment. It also seriously affects the health of the workers who apply these products, their families and the workers who are in contact with the products on a daily basis in their workplaces.

There are many accounts from people who work in *Dole’s* plantations - or its sub-contractors’ - describing how dangerous it is for them to work there because of protective clothing that is ill-adapted, and the recurrent exposure to pesticides and aerial spraying.

Some of the most commonly used insecticides are diazinon and chlorpyrifos, whilst the most common pesticides applied in the packhouses are thiabendazole and imazalil; for aerial spraying against black leaf-streak disease, the most commonly used fungicides are tridemorph, propiconazole, benomyl, mancozeb, azoxystrobin and bitertanol. While these products are not banned either in the US or the EU, some of them are, on the other hand, severely restricted. Neither the restrictions nor the medium and long-term risks they represent to human health and nature are properly communicated to workers who apply them or are exposed to them. In 2001, for example, the use of chlorpyrifos was severely restricted by the U.S. Environmental Protection Agency, and diazinon appeared on the same list of ‘restricted use products’.

» In the **Carrandi plantations** belonging to the *Acon* group in Costa Rica the workers who put the bags on the fruit and apply the pesticides to the clusters state that they regularly suffer from the same symptoms: migraine, nausea and stiff legs. Three months ago, four of them felt the same symptoms at the same time. They asked to be assigned to another task for the day, but the management refused claiming that it was an excuse not to work.

Workers do not wear their protective masks, even though they know it is hazardous, because the masks are not adapted to conditions in the plantations. Both the heat and the humidity combined with the mask restrict breathing. The foremen say nothing, except demand that they wear them when there is an inspection.

Studies from Ecuador and Honduras on the use of the chemical chlorpyrifos (an insecticide) - on the inside of the plastic bags - show that workers are severely exposed when they put the plastic bags on the bunches, even when using the personal protective equipment given to them⁸. Aerial spraying of fungicides is done in the presence of workers, as well as near people's homes, even during meals... despite the fact that the law forbids spraying when the workers are in the fields.

General occupational health and safety (OHS) problems in banana plantations include inadequate workplace design, hazardous working tools, manual transport of heavy banana stems and non-ergonomically designed boxes, a repressive management style, discrimination against women, child labour, and the application of a variety of different toxic substances without sufficient safety precautions. Low level of awareness and information, as well as lack of participation of workers in preventive systems, are the norm.

The plantations of *Dole* and its suppliers are no exception. On the contrary, severe repression of workers' rights is a direct obstacle to improving the prevention of work accidents and work-related diseases. Without protection of worker representatives and "whistle-blowers", it is widely recognised by experts that OHS problems will continue to remain unresolved.

● The DBCP case: scandal, what scandal?

DBCP is a toxic pesticide which was used for killing nematodes which live in the soil and attack the roots of banana plants. The product was applied either by injection, through the irrigation system or manually in granular form, so tens of thousands of workers came into contact with the product.

Dole is the company that is most heavily involved in the DBCP scandal. Standard Fruit (the name of its Central American subsidiaries) was the largest user of the pesticide in Central America. In 1977, workers and their union at a manufacturing plant in Occidental, California, identified the first human sterility cases linked to DBCP. The product was banned in the U.S.A. after the California cases became public, but exports of DBCP continued. Two of the three major banana-producing companies in Central America switched to other, more expensive nematicides, but, in the 1980s, Standard

⁸ Studies were commissioned by trade unions in Honduras, by scientists from IRET, Costa Rica, and in Ecuador by scientists from IFA.

Fruit continued using DBCP⁹ at a high dose in their banana plantations.

Workers realised only a few years later that they had become sterile, developed cancers, skin diseases and other conditions that might be linked to their contact with DBCP. DBCP is a tragedy that touched young children who used to help their parents, bring them meals or simply played with the pesticide, as well as youngsters aged 16 or 17 who sprayed toxic products, unaware of the danger. That represents two generations of victims.

22,000 people are now included in lawsuits against *Dole* and the chemical manufacturers in Nicaragua and many cases of sterility and cancers have been listed. 5000 sterile workers were listed by *COSIBA-CR* and are represented by North American lawyers in the USA. There are thousands of victims in Latin America and *Dole* faces hundreds of prosecutions – some of them as collective ones – in the Philippines, Central America and the USA, because of its use of the chemical.

In December 2002, a Nicaraguan judge ordered three U.S. companies, *Dow Chemical*, *Shell Oil Company* and *Standard Fruit* (*Dole Food Company* in the U.S.) to pay US\$490 million in compensation to 583 banana workers injured by DBCP. However, *Dole* did not accept the legitimacy of the verdict. The US Embassy in Managua intervened – in the name of *Dole* – with the Nicaraguan Government. Ambassador Oliver Garza asked for the end of the Nicaraguan legal proceedings in favour of DBCP victims. He accused Nicaragua of endangering foreign investment. When the case was then brought before a court in the US, *Dole* submitted a counter-case against the sick ex-workers and their advisors (lawyers and medical doctors), claiming that they had deliberately used falsified laboratory tests to damage the image of the company.

A whole generation of DBCP victims are still awaiting for the result of their legal actions, although many have already died as a result of the exposure.

⁹ Source: PANUPS, (Pesticide Action Network Update Services), London, January 2003.

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Advertisement for the banana tours organised in Costa Rica for tourists.

CHAPTER 5

SA 8000 certification: just a public relations exercise?

Dole bases its communications and public relations around the credibility of its SA 8000 certification. The multinational very often uses it as an answer to questions raised about freedom of association in its plantations and about its anti-union policy. SA 8000 is turning into a substitute for independent trade unions and collective bargaining.

The voluntary "Social Accountability 8000" standard was created in 1998 by a non-government organisation based in New York called Social Accountability International. The standard includes respect of the main ILO conventions (freedom of association, right to collective bargaining, forced labour, child labour) and respect of criteria concerning working hours, wages and non-discrimination. The verification that leads to certification is done by independent auditing bodies which are in charge of monitoring production facilities.

Dole was the first multinational in the food sector to be certified (for its operations in the Philippines in 2001). At the beginning of 2005, *Dole* had 79% of its banana plantations certified and announced that it wanted 100% to be certified by the end of 2005. *Dole* also encourages its suppliers to obtain certification. The company retains a seat on the Advisory Board of Social Accountability International.

Today, *Dole* refers to SA 8000 certification as an instrument to support the social responsibility of companies, which guarantees the respect of a number of social and environmental standards. However, in the plantations certified as compliant with the SA 8000 voluntary standard the problems remain.

Trade unions know that certification does not guarantee the freedom of association. The number of certified plantations with no trade unions and where management tries to prevent the creation of unions should be sufficient evidence. Additionally, workers often feel there are no improvements at all in the field of working conditions or environmental impact.

To this criticism should be added the general problem of the monitoring and verification of workers' rights. Management shows little or no interest in consulting workers, who are the only ones who can guarantee the permanent monitoring of working conditions inside plantations. The audits are usually performed by private for-profit companies from Europe or North America, whose staff often do not know the country, nor the specific cultural and political contexts. The repression of labour rights prevents workers from expressing their observations, complaints and criticisms, and the management from knowing what really goes on at ground level.



CHAPTER 6

Dole and the EU banana import regime: lobbying at every stage

Although *Dole* never supported the establishment of an EU import regime (in 1993) designed to allow continued market access for both African and Caribbean exporting countries as well as for Europe's own producers, the company learned to live with it. In particular, *Dole* made substantial investments in West African plantations and acquired control of the French *Compagnie Fruitière*, allowing the company to sell growing volumes of Cameroon and Ivory Coast bananas duty-free in the EU market. So, unlike its major competitor, *Chiquita*, *Dole* did not pursue an all-out campaign to liberalise EU imports in the 1990s.

However, when Brussels reformed its quota and licence arrangements in July 2001, the EU-15 made a commitment to implement a "tariff only" import regime by January 1st 2006 at the latest; in other words, to abandon the restriction of imports through quotas. This was the commitment which had enabled the "peace agreement" between the EU, Ecuador and the USA following eight years of unremitting conflict in the World Trade Organisation. The problem for *Dole* was that this reform gave its main competitors in Latin America a larger slice of the lucrative EU market. Added to this, the company's proposal to allocate licences on a first-come first-served basis was rejected by the EU. *Dole* now began to take an increasingly proactive and aggressive role in preparation for 2006.

In 2001, 160 organisations led by the US/leap asked *Dole* to meet COLSIBA to, among other things, stop promoting trade policies that fostered a race to the bottom (specifically a "first come, first served" system for allocating EU import licences). *Dole* never even acknowledged the letter, let alone respond to it.

Dole started to concentrate its new operations in Ecuador, where it bought its own plantations for the first time, as well as making a multi-million investment in a private port facility. At the same time, the company pulled out of most of its operations in Colombia, a country it considered too high-cost, and shifted operations from the Caribbean to the Pacific coast of Guatemala, where labour is as cheap as Ecuador. As the battle over the level of the single tariff started to hot up in late 2004, *Dole* went into top gear.

As well as having a constant presence in the corridors and on the desks of the European Commission, the company mobilised in Latin America. *Dole* Food Company owner and CEO David Murdock, made several visits to Ecuador to underline the importance of having as low a single tariff as possible. Above all, *Dole's* lobbying of the Ecuador government was focused on rubbishing the arguments of its main rival, Exportadora Bananera *Noboa* (Bonita brand), which

was telling Quito that there was no rush to meet the January 2006 deadline and favoured phasing out volume controls over a long period.

In early 2005 when it became clear that Costa Rica – a country where it had its second biggest operations – was in favour of maintaining quotas, *Dole* leapt into action, together with *Fresh Del Monte*, to change the government's mind. The company's European lawyer came to San José on a charm offensive and rumours were rife that *Dole* would be pulling out of the country altogether if the quota-based regime was maintained.

In the company's home country, *Dole's* direct line to the Republican government ensured that Washington no longer fought on behalf of its main rival. Indeed, the fact that *Chiquita* and *Dole* were taking opposing positions led Washington to maintain complete silence over the issue until very late on in the debate.

In the event, *Dole* got its way, even if the tariff was a little higher than the company had advocated. The two companies will continue to benefit from the duty-free access of their West African bananas to the EU market and can focus on expanding where costs are lowest: in Ecuador, Philippines, Brazil and West Africa. In this scenario any impediment to producing cheap bananas is considered a threat to corporate operations. If the unions are allowed to organise freely, for

example, the company appears to believe that it will not prosper as it should, failing to accept the argument that a decently remunerated and respected workforce will be more productive.

Dole is now set to play a leading role in accelerating the "race to the bottom" in the international banana industry following the end of EU import quotas. The question now is whether the lower prices which this liberalised EU regime will inevitably provoke will prevent the company from profiting as it hopes. It may yet prove to be a case of *Dole* cutting off its nose to spite its face.



CHAPTER 7

Pineapples and flowers: a feeling of *déjà vu*

Demonstration led by workers from the Splendor flower plantation in Colombia.

The banana plantations of Latin America are not isolated examples of *Dole's* practices in export agriculture. The same problems of non-respect of the freedom of association and extremely difficult working conditions can be found across the company's pineapple plantations in Costa Rica and Ecuador, as well as in *Dole's* flower production operations in Colombia and Ecuador.

● Costa Rican Pineapples

»» *Collin Street Bakery Inc.* pineapple plantation

Collins Street is a Texan company producing fresh pineapples for *Dole* in Costa Rica. A resolution of the Labour Ministry dated 4 August 2005 acknowledges that the company has impeded the exercise of the freedom of association, by promoting solidarismo in place of trade unions. The case concerned the dismissal of 9 workers affiliated to the union *SITAGAH*. Blackmail is used on a regular basis to force a worker to leave the union. Despite the Ministry's resolution, the company and its customer, *Dole*, refused to participate in a conciliation meeting organised by the Ministry on 12 January 2006. On the contrary, Collins Street has hardened its position: it is now isolating, persecuting and threatening to dismiss all the union members..... This company is certified SA 8000.

»» **Ananas Fruit and Piña Tica**

The workers from these two pineapple companies have decided to create a union to fight, among other things, the work of under-aged youngsters and women in conditions that are unacceptable. The work is exhausting and overtime is not paid. They therefore founded the SITRAPIÑA trade union on 4 December 2005. From 22 December onwards, persecution of the affiliated workers started with the dismissal of two of them. On 28 December, the leader of the union was dismissed as well. At the end of January, another ten union members were laid off.

● Colombian flowers

Dole is the largest exporter of cut flowers from Latin America to the USA. It controls 20% of flower exports from Colombia, the world's second largest cut flower exporter. Virtually no independent trade unions exist in the flower industry in Colombia... nor in Ecuador, where *Dole* also operates.

»» In November 2004, workers at *Dole's Splendor flower plantations* formed an independent union, *Sintrasplendor*. Workers say they formed the union to address long hours, unpaid wages, and health & safety issues. In March 2005, the union received legal recognition. *Sintrasplendor* would be *Dole's* first independent union in the flower sector in Colombia. But *Dole* has engaged in classic union-busting,

bringing in a company-backed union and signing a contract with it in December 2004. *Dole* now says it cannot sign a contract with *Sintrasplendor* because it already has one with the other union. *Dole* also sought to overturn *Sintrasplendor's* union registration and has refused to reinstate fired union workers despite court orders. In a very minor break-through, *Dole* reinstated one union

leader in February 2006 but still refused to negotiate with *Sintrasplendor* and did not accept a proposal for a secret ballot election¹⁰.

¹⁰ For more information on this campaign, see www.usleap.org. For more information on working conditions in the flower industry, see www.laborrights.org.

Conclusion

From workers in flower plantations in Colombia to those in banana plantations in Ecuador or in pineapple plantations in Costa Rica, we look at a company which, except in some few instances, is opposed to the creation and implementation of democratic and independent trade unions. In doing so, the company denies thousands of workers the right to negotiate for improved working conditions, fair wages and decent treatment at work. This multinational company also refuses to acknowledge the impact of its production activities on the environment and on workers' health.

The testimonies gathered in this document highlight the contradiction between the company's public statements and commitments, especially with regard to its code of conduct,

SA 8000 certification, and its practices in the field.

In order to comply with the principles it promotes, *Dole* must commit itself, not only on paper but also in practice and put an end to the repression of democratic and independent trade unions and of any attempt to create trade unions in its plantations or those of its subcontractors. This is indeed a crucial step toward ensuring both compliance with the social rights specified in ILO conventions - as well as respect for the environment in all *Dole's* plantations and those of its subcontractors and business partners. Only by demonstrating this in practice on the ground will *Dole's* words mean anything and the company be able to claim a genuine commitment to sustainable development and respect for the rights of all its workers.

ORGANISATIONS SUPPORTING THE *DOLE* CAMPAIGN:

3 F (Denmark) www.3f.dk

*Austrian Banana Campaign - Latin America Committee
and International Fellowship of Reconciliation (Austria)* www.versoehnungsbund.at

Banafair (Germany) www.banafair.de

Banana Link (United Kingdom) www.bananalink.org.uk

CGT (France) www.cgt.org/ei

*COLSIBA (Latin American coordination
of banana plantations workers)* www.colsiba.org

Indecosa (France) www.indecosa.cgt.fr

Peuples Solidaires (France) www.peuples-solidaires.org

IUF (International Federation of food workers) www.iuf.org/fr/

US/LEAP (United States) www.usleap.org



USLEAP

PEUPLES
Solidaires



Banana Link



FAGLIGT FÆLLES FORBUND



Dole's story is the "success story" of a company founded in the middle of the 19th century to produce pineapples, which has become a big multinational food company and sells more than 200 varieties of fruits, vegetables and flowers all over the world. The company is the world's leader and is the number three banana company in the European Union, a market yielding more than a billion Euro per year.

Dole is a company that likes to pride itself on its social and environmental standards. Thanks to a smoke-screen of double-speak and certifications, the company has convinced many who have no access to information about what happens on the ground inside banana plantations. However, nobody should be left under the impression that this is a company which welcomes free trade unions and collective bargaining as defined in international law.

Nor should a few buffer zones along riverbanks and flowers at the entrance to plantations persuade the casual visitor that *Dole* is an environmentally responsible citizen.

This document is based on a number of contributions from people on the ground, people working in the plantations, trade unionists and environmentalists, mainly in Latin American banana exporting countries. Its aim is to contribute to a more accurate portrait of the biggest single sector of the company's operations, as well as to motivate *Dole* to change its practices in a more sustainable direction with full respect for workers' rights and the environment.



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