

Retailers commit to ensuring living wages for all banana workers

The pledge to ensure living wages by the end of 2027 represents a major step forward for the banana industry.



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First the Dutch, then the Germans, then the Belgians and now the British. Over 20 major food retailers are now committed to ensuring the payment of wages that at least cover the basic cost of living for banana plantation and packhouse workers in their suppliers across a dozen countries in Latin America, the Caribbean and Africa. In the case of bananas sold in the nine biggest British supermarkets, the commitment is to ensure living wages by the end of 2027.

This is a huge step forward. Nearly 20 years ago, when Banana Link and one of the UK supermarkets did a first study on wages, we were able to show the gaps between actual take-home pay and the basic costs of living for many categories of worker. Those gaps have varied over time, but in some countries they are still considerable.

In the meantime, much effort and substantial resources have gone into methods of calculating these wage gaps and in the last few years suppliers have been asked by retailers to provide information on actual wages, so that plans can be made for how gaps are to be closed.

Clearly, one of the key issues is around price. If prices paid to suppliers are not enough to allow for producers to invest in higher wages, then the best-laid plans will not succeed. Although 2023 banana contract prices are higher across the board than in the past, much or all of this higher price is absorbed by higher costs of production and transport.

If the extra contributions to closing living wage gaps can be ring-fenced in commercial contracts, then the question arises as to how those workers who do not earn living wages currently are to be remunerated better from now on. If these initiatives are to generate the results that the retailers want and that workers require, then the most sustainable solution has to be



through the process of collective bargaining between trade unions of workers and the producers who employ them.

One-off bonuses may be of short-term benefit, but when these cease, workers are back to where they started, with wages that are inadequate to cover their basic costs of living. If living wages can be enshrined in legally binding collective agreements, recognised by the law in all the countries concerned, then the increases can be sustained over time.

At a meeting in April with a dozen of the retailers and trade unions from Latin America and Africa, the central role that workers and their trade unions have to play in these initiatives was recognised. It now remains to build the permanent relationships and ensure that workers' voices drive the good work to which the supermarkets have committed themselves.

As one participant put it: "Any

ABOVE—A total of 20 major retailers have committed to scheme so far

Photo: Dina Elena and Diego Sierra

discussion around the implementation of living wages should always be a discussion WITH workers, and not ABOUT them".

The path ahead is ambitious and requires a lot of work from many parties to achieve what most consumers believe is the right thing to do. Banana Link looks forward to the day when no banana sold in any of these countries has been produced by anybody not earning at least a basic minimum. For this to happen, there need to be major changes in the way some producer companies deal with the relationship with their workforce. If living wages can be the lever for such changes, then the retailer-led initiatives will not have been in vain. **E**