

Ensayos de Reseña/Review Essays

Banana Wars and the Multiplicity of Conflicts in Commodity Chains

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- *In the Shadows of State and Capital: The United Fruit Company, Popular Struggle, and Agrarian Restructuring in Ecuador, 1900-1995*, by S. Striffler. Durham & London: Duke University Press, 2002.
- *Banana Wars: Power, Production, and History in the Americas*, edited by S. Striffler and M. Moberg. Durham: Duke U.P., 2003.
- *Banana Wars: The Anatomy of a Trade Dispute*, edited by T.E. Josling and T.G. Taylor. Oxon: CABI Publishing, 2003.
- *Smart Alliance: How a Global Corporation and Environmental Activists Transformed a Tarnished Brand*, by J.G. Taylor and P.J. Scharlin. New Haven: Yale University Press, 2004.
- *Banana Wars: The Price of Free Trade: A Caribbean Perspective*, by G. Myers. London: Zed, 2004.
- *The Banana Wars: United States Intervention in the Caribbean, 1898-1934*, by L.D. Langley. Wilmington: Scholarly Resources Inc. Revised 2002, first published in 1983.

In popular music lyrics the banana symbolizes exotic and erotic pleasure. *El único fruto del amor, es la banana, es la banana, el único fruto del amor, es la banana de mi amor* sings one of the popular song lines. After Josephine Baker got dressed up in a banana skirt for a provocative photo in 1928, many other ‘banana babes’ would follow in a similar suit. In the 1940s the famously seductive ‘Miss Chiquita’ was created and in the late 1950s Chiquita used the banana’s imagined eroticism in an advertisement that pictured the proper size of a Chiquita banana and linked it symbolically to a marine’s sexual apparatus. Scholars studying the banana sector, however, mainly focus on the dark side of the banana. Choosing between love and war, historians and other social scientists and activists have preferred the metaphor of war for their book titles. Early uses of the ‘Banana War’ metaphor refer to USA intervention in the Caribbean and Mexico (*Langley*) or the fight between banana companies in Honduras over the right to control supply from contract farmers (Cariás 1991). The concept became particularly lively in 1998 when a wave of lead story news items reported the Clinton administration’s steps to apply tariffs to imported EU products in retaliation for trade protection policies on bananas. Titles of scientific books apparently like to appropriate such strong media images.

This essay reviews a set of books that have applied battleground metaphors to the world of banana production and trade. A comparative reading of these books about various banana wars provides an opportunity to identify the range of contradictions and tensions and the nature of the battlefields in which banana production

and trade in Latin America has evolved.

The power of banana corporations and the history of conflicts in Latin America may have inspired authors to employ the war metaphor. A handful of capitalists, in ambiguous relationships with workers, peasants, labour organizations, national governments, and consumers, transformed the banana into a fully global commodity in the early twentieth century. Many governments conceived export banana production as promising for economic and social modernization. Banana exports required the construction of railways, modern harbours, modern communication systems, and electrification. These entrepreneurs not only transformed their companies into multinational corporations, but also dramatically altered the political, economic, cultural and natural landscapes of numerous Latin American and Caribbean regions (*Striffler and Moberg* 2003). The United Fruit Company (Chiquita) in particular has been portrayed as a model of corporate globalization in the food sector because it once controlled 80 to 90 per cent of banana imports into the USA. But even this company was never an omnipotent institution. The management was often divided over strategy, and company policies were frequently inconsistent with the pursuit of long-term corporate interests (Bourgeois in *Striffler and Moberg* 2003, *Striffler* 2002, Moberg in *Striffler and Moberg* 2003).

The capital – labour war

One key contradiction, that between capital and labour, is the core topic of the more historical works of Striffler, and Striffler and Moberg. Accounts of extremely repressive forms of labour control as well as more conciliatory approaches are presented. An example of the former is given in Forster's analysis of Guatemala of the 1940s (Forster in *Striffler and Moberg* 2003). Workers' grievances at United Fruit's plantations had long been repressed by 'exhaustion and fear, the distractions of drink, and the company's facile manipulation of temporary contracts with individual workers' (p. 203). This situation was analysed by the Communist Party as 'fruitful' for organizing workers, and during a changing political context after the fall of President Jorge Ubico in 1944, labour mobilized with extraordinary speed to coalesce modern union and anti-imperialist sentiments.

Striffler argues that the United Fruit Company drew lessons from the Central American labour conflicts and adopted a more conciliatory approach in Hacienda Tenguel, its banana enclave in Ecuador in the 1950s. The Tengelueños quoted in Striffler's book express glowing impressions of the company. In a context of relatively low labour costs in the Ecuadorian economy as well as an Ecuadorian political landscape of populist-nationalist forces that kept the company's more egregious excesses in check, the company established a system of management and discipline that included high wages and exceptional benefits (health care, good hospitals, high quality housing including electricity, subsidized food including milk and meat, social clubs, sponsorship of sport clubs, and so on), which reflected considerable paternalism. Workers who did not follow the rules set by the company about how to behave in the plantation, in the house, and in the social space were fired and removed by the company's police force from the area. This remote area was only accessible by means of boat or train transport owned and policed by the company.

This regime, however, could only be maintained under specific conditions (high profits, little competition over resources) and was challenged, first, by land-hungry peasants who occupied land at the fringes of the enclave and, later, by laid-

off company workers who took over the core part of Hacienda Tenguel in the early 1960s. Land occupations together with Panama disease, a fungous disease of bananas, were major factors that caused United Fruit to withdraw from direct production and to source banana production through emerging local capitalists. At the same time, populist state officials and various state departments supported worker organizations and cooperatives as part of an emerging land reform discourse. The labour union renamed itself as a cooperative in order to align its struggle with this new discourse. It successfully controlled the enclave for a time, waiting for further action by the state to restructure the production system. Meanwhile, Castro's takeover of power in Cuba had mobilized elites in Latin America, and an ideological war was evolving between organized worker-peasant movements and capital. Elites phrased the confrontation in terms of 'organized anarchy provoked by communism' versus 'order'. A national shift in Ecuador from populism to militarism led to a military takeover of Tenguel to root out 'the clandestine agents of communism' and to redefine the agrarian reform programme in Ecuador by focussing on private property, order and increased production. Hinted at by Striffler, but not fully developed in his book, is the effect of the emerging Cold War and its influence on the ideological struggle between labour and capital. Organized banana workers in various Latin American countries, when demanding local improvements of labour conditions or livelihood security, were increasingly confronted by military repression. Acts of repression often took place after a campaign of ideological agitation in the media in which a labour organization was nailed down as communist. Previously contented labourers had supposedly been misled by outside agitators. Similar patterns have been documented elsewhere (see Barahona 1994 for Honduras, and Forster in *Striffler and Moberg* 2003 for Guatemala).

A key issue related to this kind of struggle is the historically ambivalent role of the state as a mediating actor between labour and capital. On the one hand, states promote agricultural development and the build-up of infrastructure (ports, railway networks, roads, telegraph), which was particularly interwoven with state formation in the smaller countries (see Posas and Del-Cid 1981); this led in many cases (*Striffler* 2002, *Moberg* in *Striffler and Moberg* 2003) to administrations that repressed opposition to this project. On the other hand, administrations, or agencies within the state, supported popular demands and allowed or even stimulated the formation of labour organizations and ex-worker co-operatives. Striffler describes how peasant movements in southern Ecuador, shifting over time, developed different alliances in sections within the central, regional and local state, and thus avoided being evicted from their squatted land. In this process the peasants became increasingly dependent on the state, and their struggles contributed to state formation and the restructuring of state-peasant relationships. Government support for popular demand could lead to foreign interventions such as in the infamous case of the CIA-arranged coup that deposed President Jacobo Arbenz in 1954, after the Arbenz administration in Guatemala had expropriated more than 200,000 acres of United Fruit company land (95 per cent of which was unused at that time) (*Taylor and Scharlin*). In Ecuador, Striffler outlines how land-invading peasants were well aware of the non-homogeneous character of the state and the changes taking place, and how they used these differences and changes to build new alliances during their protracted struggle with the United Fruit Company.

Although states sometimes supported worker organizations, they mostly did not object to vertical control of production by larger entrepreneurs. Only the Caribbean

has offered a 'quite different model of state engagement' (Wells in *Striffler and Moberg* 2003). In the Windward Islands, the British colonial administration resisted United Fruit's efforts to control trade through its then subsidiary Fyffes. The state regulated marketing channels and organized technical assistance instead of leaving it to the multinationals, and as a result, smallholders stayed in the banana business (Grossman in *Striffler and Moberg* 2003).

The shaping of identity while enforcing particular labour relationships

Not only do historical studies identify the struggle between capital and labour about employment and land, they also explore the importance of the shaping of particular identities. Striffler analyses how United Fruit made use of gender images to discipline the labour force in Tenguel. Only married men who brought their families were selected to be hired as workers.¹ The company instructed women how to maintain the home at a level of cleanliness required by the company's rigid standards, and urged them to participate in church, school, and other community activities. Male workers who did not maintain their families could lose their job or home, and if a man abused his wife or children, he was punished.

Other authors (such as Bourgois in *Striffler and Moberg* 2003) point at other forms of playing with identities, such as 'the managerial manipulation of the ethnic composition of the labour force'. Euraque (in *Striffler and Moberg* 2003) argues that the so-called banana enclaves on the northern Caribbean coast of Honduras were intricately linked with national economic and political history. The author asks why the Honduran congress in 1926 voted to name the country's national currency after Lempira, an indigenous chieftain who died fighting the Spaniards in the 1530s. According to Euraque, Lempira's racialization is part of an emerging Indo-Hispanic mestizaje. Honduran intellectuals felt threatened by USA-government imperialism and were alarmed by the economic development of the banana enclaves where black Garifuna were employed by the companies. These intellectuals established a mestizo identity that 'memorialized a romantic-nationalist indigenous myth that included Lempira as defender of sovereignty and autonomy against external threat' (p. 247). They denied that most black workers were Garifuna, and instead labelled all black workers as West Indians brought to the country by the fruit companies. A series of articles published in the 1910s and '20s declared the 'danger of racial mixture'. Political parties and labour unions proposed and supported various racist immigration laws. The tension between national political intellectuals and the growing influence of USA capital on the Honduran political economy translated into viewing black populations, especially the Garifuna, as a menace to the newly reinvented Indian/Spanish national identity. According to Euraque, the economic and ethnic history of the banana enclaves led to a redefinition of national identities.

Soluri (in *Striffler and Moberg* 2003) takes up another identity issue. It is not related to production but to the area of consumption. Within a very short period bananas became a product of mass consumption in the USA and shaped cultural meanings linked to humour, zaniness, and sexuality. When high import duties on bananas were announced in 1913, consumer representatives together with the banana industry protested successfully. They claimed it was the most widely consumed fruit among the urban poor, thus contrasting it with the aristocratic traditions associated with the consumption of other tropical commodities such as tea,

coffee, and chocolate. American poems and songs associated bananas with sensual women, a theme exploited in the immensely successful advertising campaign featuring 'Miss Chiquita'. But USA popular discourse has also linked the fruit to dark, bumbling, lazy, non-English-speaking people and called the tropics 'primitive'. This image was also generated by the multinational companies when they argued that the exotic banana comes from tropical places 'in which nature's fecundity sapped the initiative of the residents', thus making a case for the need for USA investment and entrepreneurship.

The most discussed identity issue, however, remains the shaping of worker, union, and peasant identity of the labourers on the banana plantations. Interesting is Forster's attention to the struggle of United Fruit's plantations in Guatemala in the 1940s about the classification of different workers and who was allowed to unionize. The company tried to declare supervisors, captains, foremen and timekeepers (who clocked the workers' hours) as 'confidential employees' who were not allowed to be active in the union, while the union argued that these supervisors were the most exposed to the injustices of the higher level managers. Such classifications and restrictions concerning labour organization are still a source of contention in some countries today.

Taylor and Scharlin discuss another form of the banana companies' involvement in constraining workers' identification with union organizations. At the time of the Sandinist socialist experiment in Nicaragua, the CIA and conservative forces pressured the government in Costa Rica to follow an anti-union strategy just like in Honduras, the other neighbour of Nicaragua. This strategy included blacklisting, police storming of union offices, and a fierce propaganda campaign linking unionism with terrorism and the communist movement. Simultaneously, the Solidarity Association, an alternative labour organization that represented workers' grievances, was set up in a collaborative effort with the Catholic Church, the government, and the American embassy. The formation of this particular Costa Rican institution led to a major setback for conventional union organizations on the banana plantations.

The capital – capital war

Relationships between capital and labour evolve in relation to the competition between different forms of capital. Production locations with the worst labour conditions and lowest pay set the baseline against which other competitors must compete in the market. Currently five big traders dominate a highly oligopolistic market, jointly operating about 86 per cent of the world trade of dessert bananas: Chiquita, Dole, Del Monte, Fyffes, and Noboa (an Ecuadorian company). If we examine the different forms of competition, at least three different major battlegrounds can be identified.

Battleground 1: the balance between domestic capital and international capital

The companies that later would turn into large banana multinationals started as traders buying from local growers. In the early twentieth century these trading companies shifted to direct production in order to guarantee a continuous supply of bananas of a predefined quality.

Historically, many governments have tried to support the development of specific economic sectors and the growth of domestic capital by seeking foreign investments. For example, in colonial Belize, governors looked for alternatives for the declining timber industry and sought to create a politically conservative sector of small and medium-sized farmers by making arrangements with an international trader to set up export banana production (Moberg in *Striffler and Moberg* 2003). To attract the United Fruit Company, various governors made generous concessions and subsidies on behalf of its steamship operations, invested in railway construction to connect new company plantations with a port, and guaranteed low prices to be paid to their suppliers. Local growers contested the land prices defined by the state, which were higher for local growers than for the company. Despite the initial desire of the colonial administration to support an emerging class of domestic growers, its general support for agricultural development specifically benefited the multinational company. Moberg refutes claims of the local critics of those days that the British officials acted on behalf of United Fruit due to corruption and fear of a USA intervention. He shows that, to the contrary, the agricultural development policies tied to export markets compelled the government to deal with the corporation that controlled those markets. The Belize case study reveals two major strategies to push domestic capital out of the market or to subsume them to corporate capital. One strategy was to limit access to land for competing growers. By 1930, United Fruit had procured over twenty times the amount of land it held under actual cultivation. Company critics have argued that this strategy limited the availability of land to competitors. A second strategy concerned not the monopolization of production but the monopolization of trade. Sometimes United Fruit even paid growers higher prices than its competitors could afford, thus depriving rivals of marketable fruit.

While in some historical contexts international corporations tended to eliminate domestic competitors, in other contexts they may have supported domestic capital investments as a way to get back in into banana production. Altered conditions in Latin America by the mid-twentieth century obliged the United Fruit Company to confront increasingly assertive workers, less compliant national officials, and growing demands from would-be landowners (Bucheli in *Striffler and Moberg* 2003). Workers became better organized, land reform discourses became dominant and populist governments won elections, or populist discourses captured the imagination of young military putschists. Furthermore, Panama disease became very difficult to control. At the same time domestic growers were equally able to produce a similar quality of banana as the companies themselves. These factors together induced a shift away from direct production to a system of contract farming (*Striffler*). When United Fruit faced difficulties in maintaining its existing system of production in Hacienda Tenguel in the late 1950s to early '60s, it first experimented with various contracts with different types of contract farmers: peasant producers, former managers who had rented part of the plantations, tenants, ex-workers' co-operatives, and large domestic capitalists.

To date we can still see a variety of contract forms in different countries. Contract farming makes it possible for the companies to source bananas without taking production risks (such as those related to weather and pests), the risk of expropriation, and the necessity of labour surveillance. At the same time, the contracts make it possible to set quality standards and to organize supply at the right time (see Grossman 1998). In return, growers may get a more or less guaranteed market,

access to inputs, and access to technical assistance (for example, Dole does the aerial pesticide spraying for its contract growers in Honduras; Jansen 2004). However, the contract system has been criticized for its asymmetrical bargaining relationship in shifting production risks from large corporations to smaller developing country growers, and shifting the burden of cost reduction onto the shoulders of the worker through poor labour conditions and suppressed labour organizations (an issue currently being heavily debated in the Ecuadorian situation). Another issue of contention in contract farming schemes is the arbitrary and unfair grading, such as the use of grading standards as an apparently neutral tool to regulate supply.

In some cases the state has regulated the contract system in order to support domestic smallholders, to keep them in the market, and to link them to global commodity chains. In St. Vincent, the state together with the Banana Growers' Association organized a guaranteed market by establishing contracts with shipping companies and setting grading standards, and making these more stringent over time (Grossman in *Striffler and Moberg* 2003). A part of the profits were reinvested in development projects in the producers' communities. The association was also involved in restructuring the sector to eliminate less-productive farmers. However, as we will see below, the Windward Islands banana sector has become the first major loser of the international banana trade dispute. The dual role of the association, as central buyer/coordinator in a contract farming enterprise and as an institution concerned with development, has now gravitated to efficiency and restructuring as a consequence of the battle between the giants.

Battleground 2: the fierce competition between the Goliaths

When competition between large banana corporations leads to conflictive situations, the Banana War metaphor easily pops up. The competition between Fyffes (sourcing bananas in Jamaica) and Geest (sourcing in the Windward Islands) over their UK market share became so fierce in the early 1960s that this battle was called a Banana War (Anderson et al. in *Josling and Taylor* 2003). In the early 1990s, Fyffes intended to source bananas in Honduras, basically from growers who had contracts with Chiquita. Fyffes offered higher prices, but Chiquita blocked Fyffes by using legal manoeuvres to sustain its contractual monopoly (Carias 1991, Taylor in *Josling and Taylor* 2003) and mobilizing state support to the extent that bananas were once forcibly unloaded from Fyffes' ships under military control (*Myers*). States tend to get involved in banana production and trade due to the economic importance of banana production for some countries. States shape the fights between the Goliaths.

Monopolies or the absence of competition, i.e. the result of effective competition, have also been addressed by more powerful states in order to protect consumer interests. The once almost absolute monopoly of the United Fruit Company was turned, historically, into an oligopoly by USA public intervention. As a result of successive anti-trust actions, United Fruit had to divest assets out of which Dole and Del Monte developed.² After a congressional inquiry in the USA in 1908, following complaints by a competitor of abuses in Panama and Costa Rica, United Fruit voluntarily sold off a subsidiary, the Vaccaro Brothers Company, which became Standard Fruit and subsequently Dole. In spite of this divestment United Fruit remained a giant corporation. By 1954 it owned or controlled 85 per cent of the land in the American tropics suitable for banana cultivation (*Myers*). However,

new antitrust suits in the 1950s threatened its operations in Guatemala and forced it to part with some of its activities there. But the pressure continued and in 1972 the company sold off most of its Guatemalan interests to the Del Monte Corporation (*Taylor and Scharlin*), transforming the latter into the third largest banana exporter. Del Monte, a fruit and vegetable marketer, had entered the banana sector only a few years earlier, through the acquisition of the West Indies Fruit Company, in order to block the United Fruit Company's apparent takeover attempt (United Fruit had bought a 6 per cent interest in Del Monte in 1967) (*Taylor, in Josling and Taylor 2003*).

Public intervention in the banana business did not stop at breaking up monopolies. Recent actions of the WTO, the global-level public arena for regulating 'free trade', redefined the terms of competition between corporations. Chiquita, which was in an economically difficult position in the early 1990s, used its political connections with the White House – built up by supporting election campaigns of both Democratic and Republican presidential candidates – to engage the USA administration in an international trade conflict (*Stovall and Hathaway in Josling and Taylor 2003*). Chiquita had lost some of its market share in Europe due to the European quota system for bananas, which will be discussed below. Precisely because of this quota system, strongly contested by Chiquita, banana prices in the EU were often higher than the average world market price; thus the highest profits could be made in Europe. Dole and, to a lesser extent, Del Monte profited from Chiquita's difficult financial position in the early 1990s, and were more astute in anticipating EU regulations in taking over import companies and ripeners, thereby obtaining licenses formerly controlled by Chiquita, and in expanding their market shares in Europe at the cost of Chiquita (*Myers, Josling in Josling and Taylor 2003, Kastele 1998, Taylor in Josling and Taylor 2003*). Initially, Dole did not object to the efforts of the USA administration in getting the EU banana regime revised. But when the USA rejected a EU proposal for a new licensing system in 2001 that was desired by Dole, the company reacted bitterly, pointing at the USA government policy favouring only the interests of one particular company: Chiquita (*Brenes and Madrigal in Josling and Taylor 2003, Stovall and Hathaway in Josling and Taylor 2003*). In short, the most recent Banana War can be read as a conflict between companies. But it was much more. It was also a political economic struggle between countries and between the ideologies of the 'free market' versus 'managed trade'.

Battleground 3: diverging national interests and political and ideological struggles over the possibilities of free trade and managed trade

At the heart of the WTO 'Banana War' lay the diverging interests of different countries: countries like Honduras and Guatemala with a strong presence of multinational companies, countries like Ecuador with many more medium-sized producers and domestic capital driving the banana business, the Windward Islands with small farmers and state-supported co-operatives, countries within the EU that defend their own overseas territories and post-colonial dependencies, countries within the EU that merely consume bananas and strive to lower consumer prices (*Tangermann in Josling and Taylor 2003*), the USA that defends particular business interests and a specific interpretation of WTO agreements, African ACP countries that intend to expand their banana exports, and so on. The WTO-related Banana

War originated from colonial trade relations formed in the early twentieth century. Myers describes the support of the Imperial Economic Committee of the United Kingdom for producers from Jamaica and other Commonwealth countries through the establishment of a system of protective tariffs from the 1920s. The UK had a strong interest in buying 'sterling bananas' rather than 'dollar bananas' in order to sustain the pound sterling in times of debt crisis. A licensing and quota system gave preference to importers that shipped the sterling bananas from the Caribbean. Nevertheless, the imported volumes were low, keeping consumer prices high, and the sterling bananas from Jamaica and the Windward Islands especially were of a relatively poor quality. The protective arrangements were maintained in spite of various parties, such as importers that could not get licenses, demanding a move to a system of free trade. Even the Thatcher administration saw little alternative. Banana exports to the UK had become crucial for economic survival, particularly for the Windward Islands, where small farmers on hilly land could not compete with the prices of bananas from vast plantations operated on an industrial basis in Latin America.

UK protection of Commonwealth producers concurred with the EU protection of producers in the Spanish Canary Islands, the French-controlled regions in Martinique and Guadeloupe, Madeira (Portugal) and Greece, as well as with the consolidation of post-colonial relationships between European countries and the ACP countries institutionalized by the Lomé Convention (particularly important were the relationships between France and Cameroon and Ivory Coast, and to a lesser extent between Italy and Somalia). Costa Rica, Colombia, and Guatemala challenged the different quota systems of European countries in the GATT but accepted the Banana Framework Agreement effective on 1 January 1995, which assigned each country a given export share under a fixed tariff rate for the surplus. The agreement was favourable to Colombia and Costa Rica, but unfavourable to Ecuador and Panama (Brenes and Madrigal in *Josling and Taylor* 2003, *Myers* 2004). Another result of the Banana Framework Agreement and the subsequent turmoil of negotiations was to replace the quota systems of individual EU countries by a complex EU system of licenses and certificates. A market for import licenses and export certificates soon came into being. Brenes and Madrigal argue that much of the banana trade in the 1990s, a period with low world-market prices, is associated with rents accruing to EU policies and this market of licenses.

One company did not seem to profit from the EU banana regime. Chiquita argued that it incurred huge losses in the early 1990s due to the quota system in the EU. Its view would coincide with the view of the USA government that feared that the EU's Lomé commitments were detrimental to USA commercial interests (*Myers*). The first GATT panels started in 1993 when several Latin American countries tried to alter the European banana regime. Several rounds of complaints, panels, reports, and appellations would follow thereafter. The battleground became particularly heated when the USA entered this arena in 1996, which was an election year in the USA. The story of the different cases and rulings before the WTO is told in detail by Josling (in *Josling and Taylor* 2003) and Myers. Josling provides a concise overview of the different panels, reports and rulings. The political importance of the banana dispute went far beyond the banana trade as its subject matter – preferential access for an export crop from former colonies – epitomized the tensions between modulated decolonization and non-discriminatory multilateralism. Furthermore, one of the complaints was brought to the first GATS panel, the

new General Agreement on Trade in Services, and this was considered as a means to clarify the relationship between the rules for the goods trade (GATT) and those for the trade in services (GATS). Moreover, the banana dispute tested the newly enhanced Dispute Settlement Understanding of the WTO, a key concern for the USA and an issue in its domestic political arena. The banana case became a politically sensitive issue for the WTO, with two core players as adversaries, the EU and the USA, and the constructed image of a superpower manipulating the WTO to destroy the traditional exports of small island economies in the Caribbean and poor African countries in the favour of a few USA based multinational banana producers (Josling in *Josling and Taylor* 2003).

Myers' account of the trade dispute is particularly interesting because the author describes in detail the many different steps made by different actors as well as the views of these actors at various moments in the process. Quite instructive is his account of what happened in the negotiation rooms and corridors. He describes how the ACP countries that had a high stake in the regulation of the banana market were kept outside the process and accorded only third-party status. The WTO panel regarded the dispute as exclusively between the USA and the four Latin American complainants (Honduras, Guatemala, Mexico, and Ecuador) on one side and the EU on the other. Myers clearly writes from a committed insider view, but with enough writer's distance:

The ACP countries were not allowed to attend the organizational meetings, which decided on issues affecting the conduct of the case; they were allowed to attend only selected sessions and to make a 'brief statement'. They were denied the right to pose questions to the Complainants or the EU on factual and legal matters or to submit rebuttals to their submissions. Moreover, they did not receive copies of the panel's report when it was sent to the complainants and the European Community for vetting, but only after it had been published. Worst of all, the panel chairman, at the request of the complainants, ejected from the sessions the two private lawyers advising the Windward Islands delegations. These lawyers had been formally accredited in writing by the Windward Islands governments as members of their delegations. But at the organizational meeting, to which the third parties were not admitted, it had been intimated that only members of government would be present at panel meetings. This was interpreted as meaning permanent government employees. So the four Windward Islands were left without legal advice during these crucial sessions, facing the serried ranks of permanent legal advisers of the USA and other complainants. Two main justifications were offered for this extraordinary action. One was that private lawyers could not be trusted to maintain confidentiality in the same way as civil servants; the other was that the practice of bringing private lawyers 'would entail disproportionately large financial burdens' for smaller countries. The implication that it is more economic to employ full-time permanent legal experts on the GATT rather than to hire them on the very rare occasions that they are needed is hard to follow. To add insult to injury, the chairman subsequently rebuked the delegations concerned for breach of confidentiality when the story of the ejection appeared in the press (p. 89-90).

Myers thus provides another level of detail compared to the more distant, formal account of Josling, who states simply: 'Private lawyers were, however, banned from the proceedings to preserve the intergovernmental nature of the dispute set-

tlement process' (Josling in *Josling and Taylor* 2003, 178).

After a seven-year banana trade war, pacification set in when the EU and the USA came to an agreement in 2001. After a transition period of several years, the EU banana regime would shift to a 'tariff-only' system as of 1 January 2006, which established a flat-rate tariff for all bananas, except for a zero-duty rate for 775,000 tonnes ACP bananas under a 'most favoured nation' regime (Agritrade 2006).³ The banana trade dispute is an exemplary case when considering issues of free trade and managed trade. It raises the question as to what level the watchdog of free trade, the WTO, has become a playground for the large countries to pursue commercial and political rivalries with endless disputes (Josling in *Josling and Taylor* 2003).⁴ Furthermore, it may help to understand to what extent corporations, which are thought to evolve in a competitive environment, turn to the policy arena when they are in difficulties.

The capital – environment war

Most of the contributions reviewed here approach banana production predominantly from a historical, anthropological, economic, or political angle, and mostly locate causal factors of change in the social, economic, or political field. Only Soluri (in *Striffler and Moberg* 2003) and Striffler pay more substantial attention to the dynamics related to biophysical and technical factors. Panama disease played a key role during the first phase of large-scale banana production. The disease made control over vast areas of land necessary so that the companies could shift to new land once plantations, after a certain period of cultivation, had become infested by this disease and had to be abandoned. Companies also relocated to other countries. United Fruit purchased Hacienda Tenguel in 1934 because the Panama disease had not yet spread to Ecuador's southern coast. The initially successful system of paternalism in Hacienda Tenguel collapsed when the Panama disease arrived in southern Ecuador. In this case political shifts were not generated *sui generis*, but followed ecological change. By the end of the 1950s, the Panama disease had begun to seriously damage the plantations in Tenguel and to cut into company profits. More and more workers were laid off, and expenditures for fringe benefits (social clubs, health care, housing, and so on) were reduced. It was only then that the more authentic workers' organization became stronger, as labourers left the social clubs and joined the union. Soon many of them, laid off and ordered to leave their houses, would adopt the newly emerging discourse of agrarian reform.

In the 1920s, United Fruit and Standard Fruit had already been looking for, and experimenting with, new varieties to replace the susceptible Gros Michel strain. Cavendish cultivars were identified as being more resistant to Panama disease but they bruised easily and were therefore difficult to transport. It would take until the late 1950s for the Cavendish to become an important variety. Transport systems had to be changed. Bananas were no longer shipped in bunches as with the Gros Michel, but packed as pre-cut hands in boxes, transported in refrigerated vessels and container transport, and ripened in the countries of consumption with ethylene (Soluri in *Striffler and Moberg* 2003). Standard Fruit (Dole) made the switch to Cavendish earlier and faster than United Fruit and subsequently succeeded to grow from a minor competitor into a significant rival of United Fruit within a decade (Taylor in *Josling and Taylor* 2003). Banana trading has become a logistically complex operation in which all the steps have to be carefully fine-tuned.

In short, the Panama disease as well as the introduction of the Cavendish variety were environmental-technical factors shaping the economic and labour history of the banana sector. The impact of the introduction of the Cavendish, resistant to Panama disease, was enormous. Cavendish is much more productive; yields per hectare doubled within a few years after its introduction and continued to rise thereafter (Bucheli in *Striffler and Moberg* 2003). With the Cavendish, bananas could be cultivated on the same piece of land for almost an indefinite period and the ‘multinationals no longer needed the large quantities of reserve land that had made them such prominent political targets in the past’ (*Striffler and Moberg* 2003,14). On the other hand, production became more labour intensive because of careful handling requirements, irrigation systems, and intensive pesticide spraying (although resistant to Panama disease, the Cavendish is susceptible to a range of other diseases). An even bigger problem has emerged with the appearance of Black Sigatoka, a leaf spot disease that started to spread in Central America in the 1970s; it turned into an almost uncontrollable epidemic in the 1990s.

Even though these books devote little attention in analytical terms to the role of biophysical factors, they provide sufficient reading material to get an impression of how the efforts of growers to combat pest and diseases in banana monocultures are in themselves a battleground, which tends to have a significant impact on the other wars between capital and labour and between capital and capital.

Can standards stop the wars? Re-designing the commodity chain

In conflicts between capital and labour and between contract growers and fruit corporations, quality standards are often presented as an apparently neutral referee that has to be obeyed. Moberg (in *Striffler and Moberg* 2003) gives examples of how in 1919 the United Fruit Company controlled and regulated supply by domestic growers in Belize through creative use of quality standards. In fact, ever more exacting standards laid the foundation for the expansion of the banana companies, since they made possible the long and hazardous journey of this perishable fruit. The banana companies began direct production on their own plantations in the late nineteenth century (instead of trading bananas sourced solely from independent growers) when they, due to increased demand, required large volumes of high-quality produce (*Striffler and Moberg*). The Standard Fruit Company, a forerunner of Dole Food Company, referred with its name to their core value of strict adherence to standards. Dole’s subsidiaries in Honduras and Costa Rica still have ‘Standard’ as part of their name. The strategic use of quality standards combined with price setting is a constant factor in the history of the export banana, and the contemporary redesign of agro-food chains keeps the banner of ‘quality’ standards in a central position.

A recent branch of the standard tree is formed by environmental standards (developed a few years ago as part of quality management systems). On the one hand, the threat of boycotts by European activists and highly publicized cases of pesticide hazards in banana production and deforestation put pressure on the fruit corporations in the early 1990s to change their environmental behaviour. On the other hand, new business interests in environmental issues in the context of the UNCED conference in Rio de Janeiro in 1992 provided a fruitful climate for consensus-seeking environmentalist groups to enter into a dialogue with banana companies.

An early initiative to formulate new environmental standards came from the 'Rainforest Alliance', a USA-based nature conservation group. They developed a labelling programme for banana cultivation with the objective to reduce the negative impact of banana cultivation on tropical rainforests and biodiversity. Dole and Del Monte rejected the idea, but Chiquita joined with the Rainforest Alliance to develop a set of criteria and procedures to certify banana plantations. The pragmatism of the Rainforest Alliance ('So Practical, It's Radical' used to be their slogan) found fertile grounds at Chiquita, which could use the NGO-endorsement to refurbish their tarnished brand. Initially, the so-called Eco-OK certificate focussed on a set of six nature conservation and worker's safety criteria. These were, in the perspective of the Rainforest Alliance, sufficiently strict to really make a difference, but at the same time practical and realistic (Wille cited in Jansen 2004). Taylor and Scharlin describe how the transformation of plantations to prepare them for certification encountered many unforeseen technical problems and involved huge investments in infrastructure and training. Pesticide management systems needed complete revisions, packing stations were remodelled, recollection and disposal systems for plastic waste had to be developed, river banks replanted with forest trees, and so on. The Rainforest Alliance distanced itself from the anti-corporate movements and their demand for boycotts, and, instead, proclaimed to seek partnerships with corporations based on trust, transparency, involvement and consensus.

In the description of Taylor and Scharlin, the Rainforest Alliance appears as a group of environmental cowboys opening up the Wild West of business-civil society partnerships. *'Smart Alliance'*, the main title of their book, refers to the field of business partnerships which generate, in manager parlance, 'win-win situations'. The authors depict the many obstacles encountered on Chiquita's road to corporate responsibility and typify Chiquita as a forerunner and trendsetter in environmental leadership. In the context of this essay the term 'Smart Alliance' has the connotation of a military term. Indeed, in the perspective of the authors, the alliance seems to have pacified conflicts related to labour resistance, other capitalists (contract farmers, national producers represented by nationalist governments), or dangerous natural environments. But as common as it is in times of real or imagined wars, an alliance can only flourish by virtue of the presence of an enemy. The authors identify new front lines and oppositions in the banana arena, in particular between the Rainforest Alliance-Chiquita alliance and what they call the 'anti-Americanism' and 'not-invented-here mindset' of European NGOs that inspired, according to the authors, their negative stance towards the Eco-OK label and its successor, the Better Banana Programme. By their making all kinds of short references, this view permeates the book.

But like protesters worldwide these days, not all critics have motives of unalloyed virtue. As we will see, some of the most vocal protesters, especially in northern Europe, get funding from their governments for projects in Latin America. Others are simply business rivals in various garbs, who gain when Chiquita loses. The unavoidable contest between BBP and the European labelling schemes of Fair Trade and organic, and the U.K. Ethical Trading Initiative (ETI) was heating up. Oxfam and Christian Aid, among others, financed certain of those interests (*Taylor and Scharlin*, p. 38).

These observations, in which government funding and Oxfam's support for Fair Trade with smallholders are supposedly reprehensible actions that should not be undertaken, are more insinuating than descriptive.⁵

The initial choice for the label name 'Eco-OK' turned out to be an unwise one. The EU had legally sanctioned any use of the term 'eco' on food labels except for organic produce. Hence, the Eco-OK banana, produced with almost conventional modes of pesticide and fertilizer use, could not be sold with that label in the lucrative market of the European Union.⁶ Furthermore, international solidarity movements made clear that the Eco-OK initiative was too concerned with environmental issues and neglected social issues such as the freedom of labour association. The Rainforest Alliance had to transform its initiative and formulated the Better Banana Programme.⁷ Local NGOs became involved in the monitoring of the banana producers, and three additional criteria for certification that address social issues were added. However, as Taylor and Scharlin make clear, this did not temper the criticism as outsiders classified the certification criteria as 'too lax' and the relationship between the Rainforest Alliance and the company it certifies as 'too cosy' (see also Jansen 2004).

It would need another actor on the battlefield to pacify the antagonism between the Rainforest Alliance certifications and the international organic farming movement (represented by IFOAM – International Federation of Organic Agriculture Movements), the Fair Trade movement (FLO – Fairtrade Labelling Organizations) and organizations promoting social accountability certification. Recent years have seen a dramatic rise in the trade of organic and fair trade bananas and some authors consider this development as an opportunity for the survival of displaced ACP banana farmers, for example, the smallholders in the Windward Islands (Raynolds in *Striffler and Moberg* 2003). Those working on these 'alternative markets' looked critically at initiatives to make mainstream markets more sustainable. But when other public actors stepped in and the context changed, new consultations were held. FAO officials working on banana issues arranged the first meetings that would lead to the International Social and Environmental Accreditation and Labelling Alliance (iSEAL), an umbrella group of the aforementioned organizations. The group intends to ensure that their activities are in line with international norms and will not be more perceived as non-tariff barriers to trade (*Taylor and Scharlin*). The threat posed by the recent the WTO negotiations about free trade and non-tariff barriers thus brought the quarrelling parties together.

Standards and shifting conflicts in the banana commodity chain

This essay has examined the diversity of conflicts that have been labelled as 'Banana Wars', and it follows from this exploration that old battlegrounds have not been entirely pacified even though new battlegrounds have been opening up. Old oppositions between capital and labour and between different forms of capital have been redefined by, and become embedded in, new emerging frontlines in the banana commodity chain, and thus are still present. Hence, for the interpretation of the current dynamics of the banana commodity chain, often represented in terms of environmental and quality standards, it would be good to absorb the historical works in order to understand how these 'older' contradictions can still influence the organization of production and social change. On the other hand, from the historical works we cannot read how and why the current dynamics of the banana

commodity chain have evolved in a specific way. The contemporary form of the banana companies is not the Moloch idol that determines state formation. The banana republics are gone and the corporations have been transformed. History cannot explain the most recent transformations, and yet they should, instead, be explained within the current political economic context. It is this terrain that makes the works of economists (*Josling and Taylor*, p. 111) on the recent trade conflict and the book by Taylor and Scharlin on the Rainforest Alliance so important.

What these books show together is the importance of setting standards. Standards were crucial in the past but have recently attained a more central place, concretely as well as analytically. Standards appear as an apparently neutral tool to organize and define relationships and to pacify tensions in a range of processes: the restructuring of producer-consumer relationships, the shaping of contract farming (with its shift from permanent, unionized labour to the employment of temporary, unorganized labour), and the reluctance of states to regulate competition between forms of capitals and relationships between capital and labour. All of the Banana Wars discussed here involved a form of state intervention (by nation states or by that other public terrain, the WTO). If the arena shifts away from the state to an increased role of standard-setting by non-state actors, then it is likely that standards will no longer so easily appear as neutral tools, but instead standard-setting will in itself become politicized in the near future.

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Notes

1. Women did not seem to mind the lack of employment opportunities and embraced, as their husbands did, the middle class ideal of a family model based on a male breadwinner and female housewife. Outside the world of Tenguel such an ideal would have been unattainable for most people.
2. Fyffes, the fifth largest banana trader also used to be a subsidiary of the United Fruit Company, which traded basically from Caribbean countries. Fyffes was sold in the 1986 because the United Fruit Company, already restyled as Chiquita, wanted to focus on the promotion of its Chiquita brand.
3. Although the fierce hostilities had ended, different conflicts had to be settled after 2001. Ecuador continued to object to the proposed new EU banana regime. Initial tariff-rates of € 230 per tonne were lowered to € 187, and had to be lowered again to € 176 due to a WTO ruling. It was still considered too high by Latin American producers and too low by ACP producers. In the meanwhile the Banana War had inflicted its casualties: the export of traditional Caribbean island suppliers (St Lucia, St Vincent, Dominica, Grenada, and Jamaica) to the EU had fallen from 325,834 tonnes in 1992 to 82,516 tonnes in 2004 (Agritrade 2006). It is quite likely that the Windward Islands banana industry will not survive the further liberalization of the EU market (Josling in *Josling and Taylor* 2003).
4. This does not mean that smaller countries do not turn to the WTO. The most recent Banana War turned into a WTO dispute is between the Philippines and Australia. This dispute revolves around

- the WTO Sanitary and Phytosanitary Agreement, since Australia uses quarantine issues to block the import of Philippine bananas (Fagan 2005).
5. Though it has been published in the Agrarian Studies series of Yale University Press edited by James Scott, Taylor and Scharlin's book is more a combination of a journalistic account and a participant's testimony than a scholarly book. Many observations are not documented, the data sources of data are often not mentioned, and the authors have a suggestive style of writing (to give one example: 'Early on, one academic said that Better Banana certification would never be credible [...]'. This raises questions as to who this academic was, where he or she said or wrote this, and so on). Their very pro-Chiquita/banana labelling stance is substantiated with very little data about the practices on the ground, and only supported indirectly by recalling various international voices who express that Chiquita has done 'a great job' (for example, see p. 99). The only 'hard' data mentioned are the pesticide reductions as listed by one of Chiquita's managers (p. 102), but not corroborated by evidence, nor further reflected upon. As told in the book's Preface, the second author had a position on the Board of the Rainforest Alliance. The book sings, not surprisingly, the praises of the Better Banana Programme of the Rainforest Alliance.
 6. One could argue that this overlooking of EU regulation of organic farming parallels Chiquita's erroneous assessment of how the licensing and quota system in the EU would evolve and not disappear for quite some years.
 7. Taylor and Scharlin hardly discuss this transformation of Eco-OK into the Better Banana Programme (it is only mentioned in two sentences in a footnote, note 3, p. 252) and instead suggest that it was one and the same activity. Typically, the term Eco-OK does not even appear in the index of the book. Similarly, the bankruptcy of Chiquita in 2001 is only marginally dealt with. These two deficiencies, in fact key to the object of their book, seem to make it easier for the authors to represent the recent history of the transformation of Chiquita under guidance of the Rainforest Alliance as an unambiguous success.

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