

Chikita banana

Business



Chiquita Banana In its dealership, Chiquita is embroiled in a wide array of economic, social, political, environmental, and legal issues. Since its inception as United Fruit Company, Chiquita has been engaged in a number of unethical business practices. These included payment of bribes to Latin American government officials to secure a preferential treatment, lobbying for a coup against unfriendly government, as well as backing dictatorial regimes in Central America's "banana republics." Other issues entailed exploiting employees while perpetuating an abusive monopoly to safeguard its market share, and remitting protection fees to terrorist organizations.

Unethical Corporate Behaviors Conducted by Chiquita

In pursuit of better business climate including, for instance, lower taxes, Chiquita engaged in payment of bribes to government officials. For instance, in 1975, it was disclosed that the company paid a Honduran official an excess of US \$ 1.25 million bribe in order to reduce taxes paid on banana exports (Schotter and Teagarden 5). The company also employed underground tactics to discourage governments from developing infrastructure so as to retain a grip on transportation monopoly.

By promoting coups against perceived hostile governments, Chiquita perpetuated injustices borne out of disrespect for sovereignty of the people. In doing so, the company's corporate interests got entangled with the foreign policy of America. For instance, in 1954, the directors of United Fruit Company lobbied the U. S. government for a coup in Guatemala on the allegation that the incumbent government was rooting for communism (Schotter and Teagarden 9). This was undertaken to conceal the company's fear of losing 40% of its land owing to supposed agrarian reform and new labor code.

United Fruit Company was notorious for subjecting its farm workers to long working hours in dangerous conditions. Prior to its restructuring, Chiquita engaged in unsustainable wide scale cultivation of bananas by allowing agrochemical runoff water to flow into water sources, as well as massive deforestation of tropical forests to create land for expansion (Schotter and Teagarden 6).

Chiquita employed guerilla tactics in order to retain its market share such as controlling the distribution of banana lands. The uncontrollable appetite for land and market dominance made United Fruit extend its reach and influence over governments and lives of its employees. United Fruit extended its influence to prevent governments from distributing banana lands to locals wishing to have a share for the banana business. The company engaged in manipulation of land use rights so as to perpetuate market dominance, which required the company to be politically involved in the region (Schotter and Teagarden 8).

One of Chiquita's subsidiaries in Colombia made protection payments to a terrorist organization. The subsidiary made over 100 payments to Colombian right-wing terrorist groups, such as United Self Defense Forces of Colombia, for seven years (Schotter and Teagarden 10). The money from the payments is believed to have fuelled violence within the region by financing weapon purchases. By committing to make the payments, Chiquita can be considered to perpetuate violence in the region. Despite the offences, none of the managers took responsibility for the flawed corporate responsibility and illegal payments to terrorists.

Works Cited

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Schotter, Andreas & Mary Teagarden. Blood Bananas: Chiquita in Colombia.
New York: Thunderbird School of Global Management, 2010. Print.