

Bananas, chiquita, and globalization assignment

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Bananas, Chiquita and Globalization While globalization is a relatively new phenomenon in theory, but not necessarily in history, as of 2009 it has created transnational corporations linked to government, international economic institutions, and non-government organizations. (Steger 67). With this definition bananas are a textbook example of the globalization of tropical fruit commodities. The transnational corporations of the United States, most notably Chiquita, Dole and Del Monte, have been linked to the governments of Latin and South America, the World Trade Organization, and the “ organic” fruit movement.

By tracing the path from banana plantations to supermarket it becomes clear how the “ morals” of capitalism have permeated into the global banana market by emphasizing cheap labor, indifference towards the environment, and trade liberalization. This commodity chain of corporatized “ dollar” bananas demonstrates how globalization benefits the powerfully rich fruit companies and not the countries and laborers where bananas are grown; and further, “ dollar” bananas highlight consumers’ ignorance of the food they eat. It all started with the United Fruit Company at the turn of the 20th century in Costa Rica with the Soto-Keith contract. Wiley 71). This contract between Costa Rican president and American entrepreneur laid the railroad tracks from San Jose to the port of Limon for the future transnational company, United Fruit (Wiley 71). Because of debts owed to the entrepreneur the government gave him acres of land, which were the future banana plantations of United Fruit Company. This United States based company was innovative in the sense that they combined all parts of the

commodity chain under their control for efficiency reasons, from plantation to railroad to shipping, to marketing and distribution (Wiley 70).

This very capitalist mentality of vertical integration formed a banana monopoly in the region. This vast amount of control drove out any competitors, leaving United Fruit Company the sole player in the United States consumer market. By utilizing their “ Great White Fleet” of refrigerated ships United Fruit was globalizing the relationship between the global South and North. United Fruit is also notorious for bribing governments of Latin America countries for land, earning the global south countries the name banana republic for United Fruit’s role in “ domestic policies”.

The actions of United Fruit can be summed up in this quote, “ Given it’s stranglehold over the region, United Fruit in turn came to be known locally as ‘ el pulpo’, the octopus” (Murray 12). To revamp their image they changed their name twice, once in 1970 to United Brand and again in 1984 as Chiquita. Today United Fruit is known as Chiquita. Clearly, United Fruit Company was the 20th century version of transnational corporation Chiquita. Also, the two other major United States transnational corporations, Dole and Del Monte, were formed as “ spin off” companies of United Fruit Company.

Bananas are grown year round in many tropical areas of Latin America and South America close to ports. Most exported bananas are grown within 30 degrees of the Equator (UNCTAD). Ecuador is the biggest exporter in the world, followed by Costa Rica , Colombia , and the Philippines (Josling 7). The conditions of these countries make for excellent growing conditions for

bananas. Bananas require high temperatures and damp soil, which can be found in the tropical jungles of Latin America .

Bananas also require huge tracts of land for harvesting, making Latin and South American countries ideal places for transnational companies to set up camp. Initially, the bananas grow from suckers, which are underground stems from mature banana plants ([http://www. schools. ash. org. au/bilambil/cbfacts. html](http://www.schools.ash.org.au/bilambil/cbfacts.html)). A trunk like tree grows, although bananas are considered an herb, and banana clusters grow upside down from the tree. Bananas are a very fragile, perishable fruit; therefore much care is must be placed in harvesting the bananas.

The bananas are cut off the trunk while they are still green by male “ bananeros” with machetes ([http://www. youtube. com/watch? v= gduSoLtdqVQ](http://www.youtube.com/watch?v=gduSoLtdqVQ)). It is at this first stage of production at the plantation where the most exploitation of workers takes place. As an article about workers’ rights in Ecuador says, “ people are not seen as being as important as the final product” (Astorga 2). Because a lot of banana exporting countries have monoculture economies, most of the countries depend on jobs and income from banana producers.

Most of these jobs are contracts too resulting in only temporary work. Not surprisingly, 10 cents of every dollar spent on Chiquita bananas stays in the production process (Wiley 71). Banana workers are notorious for being paid dismal wages; it should be no surprise that profits benefit the powerfully rich fruit companies not plantation workers. Ecuador , in particular, is known for paying the lowest wages because there are few unions. The average daily

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wage in Ecuador is \$2 in contrast to \$9 in Costa Rica (STITCH), allowing Ecuador to sell boxes of bananas for cheaper.

With no unions, Chiquita does not pay health insurance, overtime pay or money for education. For most banana workers the threat of being fired triumphs the promises of unions, simply because Chiquita would not be profitable without cheap labor. For banana workers they must work under strenuous working conditions, often working twelve hour days, carrying heavy bunches of bananas cut from the banana trunk. Aside from social consequence of banana plantation workers, there are also environmental consequences during the production stage. Pesticides affect humans, animals, and the environment.

In Costa Rica the amount of pesticides is 16 times the amount used in industrialized countries (Astorga 4). On plantations pesticides are applied by in a variety of ways, from knapsack sprayers, aerial spraying, plastic bags covering bananas, and in packing plants (Astorga 2-7). Oftentimes workers are unprotected from the harmful pesticides, and must continue to work amidst the toxic fumes. Some of these pesticides are known to cause cancer and sterility in males (Astorga). According to the World Health Organization, “ 3% of agricultural workers in the world are poisoned a year” (WHO, 1990).

Also, pesticides infiltrate the water source around plantations, killing fish and coral reef in the water. There are other issues pertaining to banana production and environment exploitation. There is the issue of deforestation and the lack of biodiversity, which is caused by the clearing of forests for plantations. This also affects the fertility of the soil. From the plantation

bananas are hung on cables that move the heavy bunches of bananas to packing plants. Mostly it is women that work in packing plants, as there is no other available work for women.

Here they sift through bunches of bananas for quality control. Any blemished bananas that do not fit the corporations' quality standard are destined for the local market. Women also apply more chemicals to the bananas during this stage and also put stickers on the bananas. Packing plants are also known to employ child labor. This is documented in the research from the Human Rights Organization along with information about sexual harassment in the packing plants. From here the bananas are put in boxes, and loaded on either trucks or trains traveling to shipping ports.

The boxes of bananas are placed in refrigerated boats to prevent ripening and sent off to various ports where they are imported. This leads us to the well-known “Banana Wars” between the United States and the European Union. The “Banana Wars” is an infamous trade war that started in 1992 and is still relevant today. The European Union is infamous for their preferential trade agreements with their former colonies, in the Caribbean and in Africa. Imported bananas from other places have tariffs charged to them by the European.

The United States, along with other South American countries, challenged these tariffs in a ruling decided by the WTO. Once bananas are imported they are sent to ripening rooms, as they are still green when they come off the ship. In the ripening rooms the bananas are treated with the chemical ethylene to give them the desirable yellow look of supermarket bananas.

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After being ripened the bananas are distributed to supermarkets across the United States. By tracing the path of bananas, from South America to North America, it becomes clear what a great monopoly Chiquita has on all parts of the commodity chain.

This further cements the idea that these fruit companies profit much more than the countries and producers they come from. Rough Draft Bibliography Affairs, NotiSur – South American Political and Economic. CHIQUITA BANANA CORPORATION FORCED TO PAY US\$25 MILLION FINE FOR SUPPORTING PARAMILITARY GROUP. 29 June 2007. 13 February 2009 . Astorga, Yamileth. The Environmental Impact of the Banana Industry: A Case Study of Costa Rica . 13 February 2009 . Frundt, Henry J. “ CENTRAL AMERICAN UNIONS IN THE ERA OF GLOBALIZATION. ” Latin American Research Review 37. (June 2002): 7-53. Academic Search Complete. EBSCO. [Library name], [City], [State abbreviation]. 3 Mar. 2009 . Hamer, Ed. The Banana Brief. 6 February 2008. 13 February 2009 . Raynolds, Douglas Murray and Laura. “ Yes, We Have no Bananas: Re-regulating Global and Regional Trade . ” International Journal of Sociology of Agriculture and Food. (1998): 10-12. Spreen, Mechel Paggi and Tom. “ Overview of the World Banana Market. ” Taylor, Timothy Josling and Timothy. Banana Wars: The Anatomy of a Trade Dispute. Wallingford: CABI Publishing, 2003. 7. STITCH.

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