

Working conditions of the banana industry in ecuador



Bananas are a soft, long and yellow fruit that are cultivated in tropical climates. I eat bananas almost every day as they are in full stock in my home throughout the entire year. What I have failed to do in the past eighteen years of my life is consider how the bananas that I eat are cultivated, sent to Canada, and then enjoyed by me. This made me realize that I take the consumption of this fruit for granted since I have never taken the time to think about the process whereby the banana is picked off of a tree, to the moment where it touches my lips. I have also never considered the implications that this process might cause to banana industry workers who cultivate the bananas that I eat.

In this essay, I examine the banana industry in Ecuador. The reason for the narrow focus on this particular country is because Ecuador not only supplies one quarter of all bananas that core countries such as the U. S., Canada and Europe consumes, but it is also the largest banana exporter in the world (Human Rights Watch 2002). The purpose of this essay is to demonstrate how the banana industry in Ecuador has become reliant on multinational corporations to export the bananas that they cultivate. This paper will analyze how the banana industry came to emerge as an important factor in the Ecuadorian economy; it will compare the policies of multinational corporations in regard to the working conditions of their laborers, and examine the devastating working conditions currently in place in Ecuador. This paper will also demonstrate the pressures exerted upon laborers in the banana industry by the multinational corporations providing our grocery stores with their banana supply. I will also shed light on the environmental impacts that multinational corporations cause through the banana industry

in Ecuador. This paper will argue that the Ecuadorian economy's heavy reliance on banana exports through multinational corporations is the reason for the persisting poor working conditions for the people working in the banana industry.

There is a huge market for the primary commodity of bananas; over 86 million tonnes are produced annually and sold around the world (Smith 2002: 40). This is an important point to note because it shows that countries involving themselves in the banana industry have a better chance at accumulating income than perhaps through other industries. This 'yellow gold' is grown in South Africa, Latin America and parts of the Caribbean with high demands coming from places that cannot grow bananas such as the United States, Canada and Europe (ibid: 40). One can see the conflict of competition that lies between the banana producing countries in exporting bananas to generate income for their economy. The demand for bananas is very high seeing as they are the third most popular product in the world aside from petrol and lottery tickets (ibid: 40). This would make any banana producing country, such as Ecuador, tempted to allocate many of its resources and time towards exporting bananas. It is because of this temptation that the Ecuadorian government allows multinational corporations such as Dole, Chiquita and Del Monte to enter their country and help them prosper in the industry (ibid: 40). It is through these companies that countries such as Ecuador export their bananas and are responsible to these companies' demands. This unfortunately leads to dependency on multinational corporations to take over and control what the working

conditions are like for their workers. As a result, the working conditions for the Ecuadorian banana industry workers are devastating and horrific.

It is important to take a look at the history of Ecuador and understand why their economy has become very dependent on the export of bananas through multinational corporations, which helps ultimately explain the poor working conditions that the banana industry workers face in Ecuador. This dependency can be traced to the year of 1920 when the Ecuadorian government panicked at the state of their economy and made the decision to rely on exporting bananas as a way of getting out of the economic downward spiral (Striffler 2002: 25). Two factors account for turning Ecuador into a heavily dependent banana exporter: the Panama Disease that struck many Central American banana sites, and the collapse of the cocoa industry in Ecuador (Striffler and Moberg 2003: 172). The United Fruit Company, which is still a successful multinational corporation today, had many plantation sites in places in Central America, such as Hacienda Tenguel for example. A wave of Panama Disease hit banana sites such as the ones in Hacienda Tenguel and many others in Central America, which forced the company to relocate its business elsewhere. This was coincidentally around the time that Ecuador was going through an economic crisis. The cocoa industry in Ecuador collapsed because of the maturing cocoa trees in West Africa and Brazil, which allowed these countries to compete in the industry (Striffler 2002: 13). As the Ecuadorian government panicked, they were “desperately searching for an alternative export” (ibid: 30); this was the perfect opportunity for the United Fruit Company to take advantage of the situation and offer the Ecuadorian government a chance to become a larger

part of the banana industry. Since Ecuador accepted help from the United Fruit Company in the 1920s, more and more multinational corporations have come to dominate the production and distribution of bananas by means of using local Ecuadorians as banana industry workers. This suggests that the initial panic of the Ecuadorian government long ago has turned into a reliance on multinational corporations for the banana industry today. This is significant because not only does it explain how the banana industry in Ecuador took flight, but it also shows the desperation of the Ecuadorian government to rely on a multinational corporation to better their economy.

Another important point to note is that multinational corporations, such as the United Fruit Company, tend to offer some benefits that governments such as Ecuador have a hard time refusing. Multinational corporations control transportation and labour recruitment, which in turn helps the Ecuadorian economy by distributing their product to large consumer countries in the North. For example, in the early 1900s, the United Fruit Company encouraged the construction of the Stann Creek railway, which was built to make the transportation of bananas easier throughout Central America (Striffler and Moberg 2003: 159). This proved to be a success seeing as in 1920, Stann Creek Valley exported 621 000 bananas in comparison to 1893 when Stann Creek Valley exported 140 000 bananas (ibid: 161). The fact that the railway was a success in distributing more bananas led many countries in Latin America to trust multinational corporations with their precious banana industry, even to this day. In addition to better transportation of bananas, the United Fruit Company established a radio telegraph station in Latin America so that many countries could

communicate more effectively with each other and the company itself (ibid: 160). Seeing as bananas are a soft fruit and can be easily damaged by improper packaging, a country such as Ecuador can trust that their bananas make it safe and sound to their consumers by using multinational corporations as their link to the Global North. Although multinational corporations facilitate the task of ensuring that bananas are delivered and sold, there are also many negative consequences that come when relying on these large businesses to generate economic prosperity.

Multinational corporations seem to fail at staying true to their working condition policies for their workers' in the banana industry. Take Chiquita, a faction of the United Fruit Company, for example. Their main concern is to source high quality bananas at a competitive cost, maintain long-lasting customer relationships and transport their bananas to worldwide markets (Chiquita Brands International 2011). The working conditions of their workers is of low priority, if one at all. Seeing as bananas account for approximately sixty percent of their income on average, and the company has a significant reliance upon " long-term relationships with large growers" (Chiquita Brands International 2011), it is shocking to see how the company does not make an effort to treat their employees with respect and fairness. Chiquita attempts to cover up their demand for extremely long work days and very low wages by exercising " corporate social responsibility" programs (The Gale Group 2011). Some of the policies include an equal opportunity provision, forbidding any type of discrimination and not allowing sexual harassment (The Gale Group 2011). Sadly, these policies are not implemented, and the government of Ecuador does little to nothing to help improve these

conditions. This is because the income generated by exporting bananas is so significant to the overall income for the Ecuadorian government that the banana industry workers must simply deal with this injustice in order to keep their jobs and help their economy prosper. After all, the money generated by exporting bananas is marginally behind the income that come from oil and manufactured goods in Ecuador (Kopetski et al. 2002: 2). Further, there is no “ independent banana workers union in Ecuador,” which makes it very difficult for any mistreatment to either go noticed or get fixed (ibid: 4).

When comparing the working conditions that companies such as Chiquita promote to have a positive image for themselves, and the real working conditions that people in Ecuador are subject to in the banana industry, it is obvious that they are far from matching. The conditions that men, women and even children are working under in Ecuador are described as appalling (Human Rights Watch 2002). Ecuadorians working in the banana industry work at least twelve hours per day and are exposed to toxic pesticides, sharp knives and machetes, unsanitary water and also sexual harassment (ibid). They are also responsible for hauling extremely heavy loads of bananas to meet the deadlines set out by multinational corporations (ibid). What is worse is that the average wage for a banana industry worker is approximately four American dollars per day (Kopetski et al. 2002: 2); a terribly low salary that does not allow a comfortable or secure lifestyle. What is worse is that people in Ecuador start working in this industry at a very young age and do not always have the chance to gain a proper education (ibid). Most kids start to work in the banana industry between the ages of eight and thirteen with fewer than forty percent of children in school

by the age of fourteen (ibid). The reason that these injustices go unpunished is because the Ecuadorians do not have much of an alternative. Due to the fact that other Latin American countries nearby are actively involved in the banana industry, the Ecuadorian government attracts multinational corporations by offering the cheapest labor, being impartial to using agrochemicals to speed up the banana cultivating process, and devoting the abundance of fertile land to the banana industry (Higman & Hellin 2002). This can be interpreted by applying neoliberal theory: Ecuador has a comparative advantage over many of its competitors (ibid), and uses it to gain the most profit that it can. David Ricardo's theory of comparative advantage is practiced by and large by the Ecuadorian economy in terms of the banana industry.

It is not only people in Ecuador who suffer from being at the hands of multinational corporations, but it is also the environment that bears a heavy and damaging burden. Stemming from the early arrival of the United Fruit Company in the 1900s, this multinational corporation and many others that followed their debut set up banana groves at the core of many properties, clearing miles of land to be dedicated to the banana industry, and recruiting thousands of workers into "largely underdeveloped frontier zones" (Striffler and Moberg 2003: 171). Many of these land transformations happened because of the economic crisis that Ecuador had faced with the collapse of the cocoa industry, but what is worse is that this domination of multinational corporations did not stop there. It is estimated that approximately 380,000 people are directly employed in the banana industry in Ecuador (Arias et al. 2003), which is a number that has risen since 1900 when approximately

3000 Ecuadorians were employed in the banana industry (Striffler and Moberg 2003: 179). This implies that even more land has been destroyed and converted into banana industry territory for the sake of reaching the economy's full potential.

An example that highlights the environmental damage is how the shrimp industry in Ecuador has suffered because of the government's desperation to please multinational corporations' wishes of blemish free bananas. The banana cultivating area near the Bay of Guayaquil in Ecuador is along the Taura River, which empties its remains into this bay. Although this geographical state may seem relatively innocuous, it is actually the cause of a significant increase in the mortality rate of native shrimps (Colburn 1997: 98). The multinational corporations make their workers use harmful fungicides and agrochemicals on the bananas as a means of protection, which ultimately harms the well-being of the workers, contaminates the water and causes the shrimp to perish (ibid: 98). It was in 1991 that the fungus disease "sigatoka negra" appeared in the North of Ecuador (ibid: 98). This fungus ended up spreading to not only the banana-growing area near the Bay of Guayaquil, but also to many other places in Ecuador. Because of this threat to the precious bananas of Ecuador, banana plantations run by multinational corporations, and small farm banana growers who were also controlled by multinationals responded by using an aerial spraying of the banana fields with many different varieties of fungicide (ibid: 98). Ninety percent of the Taura River drains into the Bay of Guayaquil, and a record high increase in the shrimp mortality rate was inevitable and unavoidable. Many locals referred to this incident as "Taura Syndrome" (ibid: 99). The

logistics of the Taura River incident are indicative of the fact that the Ecuadorian government is willing to sacrifice the wellbeing of other exportation industries in order to ensure the production of what appears to be wholesome bananas. It is also important to note that the fungicides and agrochemicals that are used in the banana industry are extremely harmful to the health of the Ecuadorian laborers. It is blatantly obvious that the laborers are not the only ones suffering at the hands of large multinational corporations - the environment is also bearing the damaging burden as well.

Ecuador has always been the North American and European provider of quality bananas, and its market has now expanded to Eastern Europe as well as parts of Asia (Arias et al. 2003). By establishing working business relationships with countries of high levels of product consumption, the Ecuadorian government has a responsibility to continue to provide the Global North with bananas, and is also under high pressure to continue to be the leading exporter of bananas in the global economy (Arias et al. 2003). According to Wallerstein's World Systems theory, Ecuador is considered a periphery country, seeing as a main source of its income is dependent on exporting agricultural goods, such as bananas, that are exported to core countries in the Global North. This suggests that there is not only an overreliance on exporting bananas, but that multinational corporations are the link between Ecuador and the Global North in regards to the banana industry.

The poor working conditions for banana industry workers in Ecuador are a devastating day-to-day reality, and the facts that I have examined above suggest that the reason for this is the heavy reliance through multinational

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corporations for the export of bananas. This raises many concerns, and could cause potential complications in the future of the Ecuadorian economy. For instance, if the United Fruit Company or any other multinational corporation that is affiliated with Ecuador ends up going bankrupt or taking their business elsewhere, Ecuador will have a difficult time transporting their bananas to the Global North, which could have a negative impact on income for their economy. To entrust multinational corporations with so much power and influence over the banana industry in Ecuador is a potential downfall. Finally, if people in the Global North are not as interested in purchasing bananas and the popularity of this fruit diminishes, Ecuador has not strengthened many other industries nearly as much as the banana industry, leaving them with fewer alternatives for generating money. All of these possibilities give rise to concerns for relying on a primary commodity, such as a banana, as a major part of the economy. In order for Ecuador to develop as a nation, a less heavily focused reliance upon primary goods exportation would be beneficial; the focus should be shifted towards strengthening other industries as well. It is also obvious that the multinational corporations that are dominating the economy have the power to control the fate of Ecuador, a risk that is not worth taking.

Learning about the banana industry in Ecuador has certainly made me realize that products such as bananas, and possibly other products from periphery countries that are distributed by multinational corporations to the Global North, might have workers who are subject to terrible working conditions for the sake of their country's economy. These injustices should not go unnoticed, and something ought to be done to make multinational

corporations treat their workers better. Never again will I take the bananas that I eat for granted.