

BACKGROUND



PHOTO BY DAVID BACON © 1998

FARM WORKERS ON STRIKE AGAINST THE DOLE CORPORATION. THE SIGN CALLS THE WORKER-OWNED PLANTATION DOLE'S "PRIVATE PROPERTY".

BANANA WAR IN THE PHILIPPINES

For the past several months, the banana groves on four Philippine plantations have been uncharacteristically silent. In place of the normal cacophony of harvesters cutting huge banana bunches, men and women sit quietly all day in dusty tents beside the plantation roads.

On December 4, 1997, almost 2,000 farm workers stopped cutting bananas for the Dole Corporation. Thousands of harvesters on other Dole plantations are following the work stoppage closely. Another 2,500 have served notice they intend to join the strike. This dispute, which could paralyze most of Dole's Philippine banana operations, highlights the possible consequences of economic liberalization in the wake of the economic meltdown in southeast Asia.

OUT-SOURCING THE GLOBAL BANANA

There is a clear downside to the growing tendency of global food companies to "out-source," that is, to transfer ownership of their plantations to former workers. Those workers then assume all the risks of

DOLE STRIKE HIGHLIGHTS IMPACT OF CORPORATE GLOBALIZATION

BY DAVID BACON*

farming, including low prices, drought, and pest and crop disease epidemics. They often have to buy the necessary chemical inputs, seeds and machinery in U.S. dollars, whose prices rise during currency devaluations while those for fruit and vegetables plummet. Meanwhile, the original company retains exclusive marketing rights and the ability to arbitrarily fix prices. As the company buys the same product in many different countries, it can effectively play farmers off against each other.

Dole, with operations in 80 countries, is the world's largest grower of fresh fruit and vegetables, and the largest producer of bananas. The Filipino workers have been striking over the low price Dole pays for each box of bananas they harvest.

Recently two of the struck plantations

reached an agreement with the company on an increase to \$2.60 per box. More important, Dole agreed to pay in dollars to offset the devastating effects of the peso's current devaluation. However Dole has refused to apply the same terms to the other two plantations being struck.

Until two years ago, all 2000 strikers were direct, salaried employees of Dole's subsidiaries Stanfilco, Checkered Farms and Diamond Farms. Their wage scale started at 146 pesos a day, and the company paid for medical care, pensions, vacations and sick leave. They were members of the National Federation of Labor (NFL), one of the Philippines' most militant unions, and were covered by a collective bargaining agreement.

MANIPULATED LAND REFORM

In 1996, the workers became owners of these four plantations, after setting up cooperatives and petitioning for redistribution of the land under the Philippines' land reform law. Dole then negotiated an agreement to purchase the bananas, in a complex combination of subsidies and direct payments per box. *continued on page 2*

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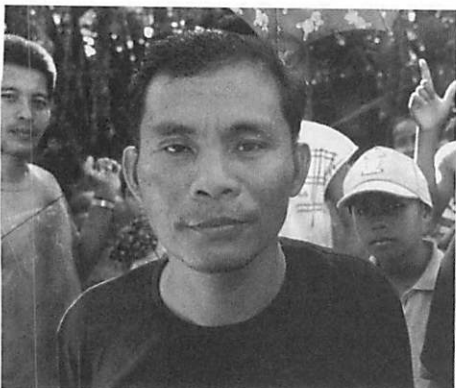


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FELIX BACALSO, A STRIKING FARMER, HAS HAD TO PULL HIS CHILDREN OUT OF SCHOOL.

But the price Dole agreed to pay is so low that last year workers earned only 96 pesos a day, and lost all of the benefits they previously had. "The company reduced its labor costs by no longer employing us directly," explained Eleuteria Chacon, head of the coop at Checkered Farms.

Workers charge that Dole took advantage of their lack of knowledge during negotiations. "The company promised we would make big profits if we produced over 3,000 boxes of bananas a day, but even after meeting that goal, our coops lost money," Chacon said. "We didn't really understand how to compute our costs, and the company said they wouldn't negotiate with us if we brought in experts from our union." Dole also withheld the workers' legally-mandated severance pay until they signed the agreement.

One Diamond Farms worker, Felix Bacalso, had to pull all but two of his 10 children out of school, no longer able to afford tuition, uniforms and transportation. "I'm worried I'll have to send them to work if the company doesn't pay more," he says.

Although the worker coops took over some of the plantation land, they were in a weak bargaining position because they didn't gain control of it all. Dole retained ownership of the plantation roads, the packing sheds, and the complicated network of cables needed to support the trees and transport the bananas. Without those assets the coops couldn't produce bananas. When they suggested a clause in their agreement which would have allowed them to sell bananas to other companies, Dole said it would refuse to let them use that infrastructure.

Amansueto Agapay, information officer for the Philippine government's Department of Agrarian Reform for the

banana region of Davao, admitted that the arrangement gave Dole an unfair advantage. "That allowed them to set the condition that they would be the sole buyers," he says. "But legally we had no power to force them to sell these assets. The main problem is that Stanfilco has to raise its price."

The agreement proved so controversial it was initially rejected by a vote of the workers. Nevertheless, in the end, it was adopted and the coops quickly fell into debt. The Diamond Farms coop lost 30 million pesos the first year, and Checkered Farms 11 million, according to NFL attorney Coronado Apusen.

Confrontation is brewing at another huge Dole plantation, the Luna Industrial Banana Growing Farm. Its 2,500 workers are represented by the NFL, the same union which used to represent workers at the striking coops. In early January the NFL issued a notice of their intention to strike the Luna plantation, which is run by a growers association and sells bananas to Dole. The immediate cause of the impending strike is a disagreement over application of the minimum wage law. But Luna growers can't resolve the workers' complaint without getting Dole to raise its price.

"These growers owe 200,000-300,000 pesos apiece to Stanfilco," explains NFL organizer George Aquilon. "They have to learn to fight the company for their own welfare, not just for ours." According to Aquilon, a strike both there and in the coops would stop at least two-thirds of Dole's Philippine banana operation.

The growing confrontation has already escalated into violence. On the night of December 21, 1997, the 432nd Infantry Battalion of the Philippine Armed Forces, along with local police and company guards, expelled coop members from their land at Diamond Farms. According to Antonio Edillon, a Diamond Farms harvester, "we sat down at the edge of the banana grove, beside the main road, and locked arms. I was hit by an iron bar. I saw others hit and kicked as well. The soldiers pointed Armalite rifles at us, and told us they'd shoot."

Two coop members were shot and wounded as they drove a plantation fire truck through the farm to come to the aid of the strikers. Armed guards occupied the plantation for weeks. One man in camou-

flage fatigues, holding an AR-16, later said he worked for Stanfilco.

"The government is closing its eyes to all this," Aquilon says. "They tell us we have to protect foreign investors at all costs, since they provide jobs. But what kind of jobs are they providing us? Jobs for children?"

Aquilon says that, despite the end of the authoritarian Marcos regime in 1986, there hasn't been a strike on a banana plantations for 10 years. "The government says any strike here affects the national interest," he cautions. "But they're just sacrificing us to make [foreign] investment attractive."



PHOTO BY DAVID BACON © 1998

A FOURTH GRADER, FLATTENING OUT PLASTIC SHEETS, EARNS 50 PESOS A DAY FOR SIX HOURS OF WORK.

CHILD LABOR

Dole uses the same arrangement it negotiated with these coops with many other Mindanao growers. Six years ago, for instance, Stanfilco convinced 108 small rice farmers in San Jose Campostela, to pool their land and set up a banana plantation, Soyapa Farms. It signed an individual contract with each grower to buy their bananas at the same low price.

Many families were forced to do what Diamond Farms striker Felix Bacalso is trying to avoid: send their kids to work.

At six in the morning, five children from 11 to 17 years old huddle in a circle at one side of the Soyapa Farms packing shed. They flatten out and recycle the sheets of plastic inserted between banana bunches as they grow, to keep them apart. Children get 2 centavos for each sheet they save, making as much as 50 pesos a day. Next to them, 15 year old Benjamin Libron gathers bananas discarded for minor imperfections. He is paid 60 pesos a day.

Danilo Carillon, 16 years old, stopped going to school five years ago, after the third grade. For 86 pesos a day he climbs a bamboo ladder, pulling a plastic bag over each bunch of bananas. He has to bag 160 bunches of bananas a day. The bags are treated with a pesticide, Lorsban. Carillon wears a simple dust mask, not capable of filtering out chemicals, over his face when he unrolls each bag.

"The children on this plantation work because their families can't survive without the wages they earn," explains Nenita Baylosis, a Soyapa Farms employee



PHOTO BY DAVID BACON © 1998

A THIRD GRADER WORKS SIX HOURS A DAY CUTTING THE DEAD LEAVES FROM BANANA TREES.

and member of the Associated Labor Union. Baylosis tries to convince parents not to send their children to work. "When we started to campaign against child labor here, the parents were very angry, fearing the kids would lose their jobs," she says.

One parent, Ludy Quinio, supports four children on his job as disease control worker, earning 71 pesos a day. To supplement his income, the family raises pigs and makes tuba, a kind of coconut beer, plus his wife runs a tiny sari-sari store, selling a little bit of everything to their neighbors. In December, the value of the Philippine peso plunged from 30 to 46 per dollar. A coke in her store sells for 8 pesos—an hour's labor.

"If Ernie [his 16-year old son] didn't work, he wouldn't be able to go to school," Quinio says. Ernie has had his job for three years. Despite working before and after school propping trees, and 11 hours on Saturday, he's still second in his senior

class in high school. "If I can keep on working, I'd like to go to college too," he says. His father, however, predicts that Ernie's 13-year old sister may have to start working when she starts high school.

The Soyapa Farms Growers Association employs 360 contract workers, both adults and children. The association was formed at the initiative of Stanfilco six years ago, when it convinced members to grow bananas. It's not a cooperative—each grower retains ownership of their individual plot, and each has an individual contract to sell their bananas to Dole.

Because the workers are contract employees, they don't qualify for even the lowest minimum wage in Mindanao, which is 96 pesos a day. "Stanfilco says it isn't responsible for the situation," says Bebot Llerin, "since it doesn't employ the plantation workers directly. We've asked Dole to come up with some money for subsidies to pay the families so their kids can go to school, but we've heard no response." Dole's low price for bananas traps growers in increasing debt.

THE CONSEQUENCES OF ECONOMIC LIBERALIZATION

This dispute highlights one consequence of economic liberalization in the wake of the economic meltdown in Southeast Asia. The International Monetary Fund (IMF) is forcefully urging the Philippines and other countries to provide greater incentives for foreign investment. This economic strategy has led to declining incomes of workers and farmers, greater social conflict, and an increase in child labor.

Walden Bello, professor at the University of the Philippines, director of the Bangkok-based Focus on the Global South, and senior fellow here at the Institute for Food and Development Policy/Food First, points out that the Philippine government is allowing foreign investors to manipulate the country's legal process. "It's true that the government is allowing land reform to take place, but it also allows so many loopholes that the former owners benefit from it more than the workers," he charges. "What counts is how the government interprets the law. By allowing Dole to retain ownership of the plantation infrastructure, the government made it possible for Dole to actually lower

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CALL TO ACTION

Letters of support for the striking banana workers can be sent to:

George Aquilon/Coronado Apusen National Federation of Labor
3rd Floor, Aala Building
59-B Anda St.
8000 Davao City, Philippines
Telephone: (63)82-227-4497
Fax: (63)82-222-3212

The international solidarity campaign supporting them is coordinated by:

International Union of Foodworkers
Rampe du Pont-Rouge, 8
CH-1213
Petit-Lancy, Switzerland
011-4122-793-2233
Fax: 011-4122-793-2238
www.iuf.org

Letters protesting Dole's actions can be sent to:

David H. Murdock, Chairman of the Board and Chief Executive Officer, Dole Food Company, Inc.
31365 Oak Crest Drive
Westlake Village, CA 91361
(818) 879-6600
Fax: (818) 879-6615
www.dole.com/contacting_dole/general.html

For more information on banana disputes contact:

European Banana Action Network
17 Lower Camden Street,
Dublin 2, Ireland
euroban@pobox.com

Food First Information and Action Network (FIAN)
P.O.Box 102243, D-69012,
Heidelberg, Germany
www.fian.org

For information on more socially just and ecological alternatives for banana production, see:

www.laslett.com/banana/confer.htm

its costs, while appearing to comply with the land reform process."

Bello says the government's actions are part of an overall plan to make the Philippines more attractive to foreign investors. "Following the advice of the IMF, the government is trying to help companies lower their labor costs in order to make the country's exports cheaper."

Low wages in the Philippines have hurt workers elsewhere. "This inevitably has an effect on us," says Guy Fujimura, secretary-treasurer of Local 142 of the International Longshore and Warehouse Union in Hawaii. "We have three pineapple plantations left where we have contracts with Dole."

About 1,000 ILWU members work in Hawaiian pineapple today, while two decades ago the union represented 6,000. Much of that production went to the Philippines. "Lower labor costs wasn't the only reason why this happened, but it was a big factor," Fujimura cautions. "Certainly lower labor costs in the Philippines made the choice of moving production much easier. And the cost of

labor is a function of the control of labor, which is what the present strike in the Philippines is all about." Fujimura points out that "the anti-labor climate in the Philippines is so extreme that it really goes beyond being just pro-business. It encourages companies in their worst behavior, so the problem isn't just Dole per se."

Bello says the problems on the Mindanao plantations provide a glimpse of the future, as the countries of Southeast Asia implement IMF austerity programs in the wake of the region's financial crisis. "The growing poverty, child labor and now the strike on the Dole plantations show what these IMF policies are really going to mean to people," he predicts.

GOVERNMENT SUPPORT FOR TRANSNATIONALS

Neoliberal economic policies, like those imposed in the Philippines, are strongly supported by the American government, which has threatened economic sanctions to force their acceptance throughout Southeast Asia in the wake of the region's economic crisis. The U.S. is

the largest stakeholder in the IMF, giving it the biggest voice in setting the economic policies which the institution pursues. In addition to using its IMF leverage, it has gone to bat for U.S. transnational banana producers directly. For instance, it filed a complaint recently before the World Trade Organization against European countries on behalf of the Del Monte Corporation. The complaint accuses Europe of setting banana import quotas beneficial to producers in the Caribbean. Del Monte and other U.S. producers want access to the European market for the bananas they grow in Ecuador and Central America.

At the 1996 World Food Summit in Rome, Agriculture Secretary Dan Glickman justified these policies, saying that "free and fair trade promotes global prosperity and plenty. The private sector," he asserted, "is the great untapped frontier in the world war on hunger." The impoverishment of Filipino banana workers is just one example of how tragically wrong that is.

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