

Chiquita bananas less appealing

They’ve been convicted of paying off a bunch of guerrilla groups in Colombia, but Chiquita’s executives have somehow managed to slip out of jail time



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Think about how many bananas there are in the world. Come on, make an estimate. It’s hard, I know. Now guess where those bananas come from? No less than 83 per cent of all bananas for export are grown on large- and medium-scale plantations in Latin America. And who controls that huge banana market? Five corporate giants: Chiquita (25 per cent), Dole (25 per cent), Del Monte (15 per cent), Noboa (11 per cent) and Fyffes (8 per cent). The rest of the world’s bananas come from small farms and minor distributors.

But this isn’t an article about the banana market—this is an article about a certain banana republic. On 14 March, Chiquita Brands International Inc (a major supplier of bananas through Europe and North America) plead guilty to federal charges in the US for paying paramilitary groups in Colombia and agreed to a \$25 million settlement.

Let me begin by saying that I think statements linking multinationals with human-rights abuses around the world are often alarmist and emotional—such accusations simply hide an anti-corporate agenda. Consequently, I decided to find the

court documents and form my own opinion. Going over those documents, I learned that the decision came after a lengthy Justice Department investigation. The charge against Chiquita was “engaging in transactions with terrorist organizations.” Sounds pretty serious—I wonder how many people will end up in jail?

But I kept on reading. Chiquita reported \$2.6 billion in revenue for 2003; Banadex, its subsidiary in Colombia that was found guilty of the payments, was Chiquita’s most profitable banana-producing operation. Chiquita began paying right-wing paramilitary forces of the United Self Defense Forces of Colombia (AUC) after a meeting in 1997, and made over 100 payments until June 2004 totaling over US \$1.7 million.

The Company claimed that it had also paid the guerrillas before: these payments to the paramilitaries were reviewed and approved by high-ranking officers at the Cincinnati headquarters who concealed the payments in company books.

Chiquita then sold its Colombian banana operations in June 2004, and in February 2007 the company announced that it had set aside \$25 million to resolve the dispute. In the court documents there are no names; in fact, I read that none of Chiquita’s executives were even charged individually. That’s right: even though they “engage in transactions with terrorist organizations” and alter the company books, they only get slapped with a ridiculous fine—

\$25 million for seven years—when in a single year they have \$2.6 billion in revenue.

What’s more, the money from the fine will not even go to the victims: it’s a fine paid to the US federal government. When representatives of the company said that the fine won’t affect their transactions, they weren’t kidding.

Why is it that nobody is going to jail here? Could this have anything to do with the fact that Chiquita owner Carl Lindner is a big contributor to the campaigns of both US Democrats and Republicans? Lindner controls 42 per cent of the banana company; according to Forbes he’s the 133rd-richest man on earth.

Lindner is also a close ally of George Bush and was Chair of the Board for Chiquita Brands International when the company was paying the paramilitaries. In other words, definitely not the kind of person who does jail time.

I don’t know whether to laugh or to swear when I go to Chiquita’s website and read that “corporate responsibility at Chiquita is an integral part of our global business strategy.” We need to seriously condemn the unethical practices of multinationals and their impact on those devastating, decades-long wars—Chiquita is, after all, just one of many corporations around the world with ties to paramilitary groups in Colombia and abroad.

Unfortunately, it’s easy for us in North America to ignore what goes on in those distant banana republics.



PHOTO ILLUSTRATION: JOSH NAULT

PUT YOUR BANANA WHERE I CAN SEE IT Chiquita has been linked to guerrilla violence in Colombia. There goes your guilt-free source of potassium.

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