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A banana workers union in Panama has decided to acquire the assets of the Chiquita Brands operation in the country's western section to save the jobs of 3,000 workers. Officials of the union of the Puerto Armuelles Fruit Company (PAFCA), presented a formal statement of intent on Feb. 2 to the government, whose agencies will act as arbitrator in the negotiation between the company and the workers.

Union leader Jose Morris said that the plan is to form a cooperative that will sell its production to a German consortium, Anton Derbek. The property consists of some 3,000 hectares of banana plantation in Puerto Armuelles in the province of Chiriqui. The company shut down its operations at the end of 2002 after having lost, a spokesperson said, about US$90 million over the preceding six years (see NotiCen, 2002-09-19). Chiquita originally offered to sell its assets to a cooperative provided that the coop sell its bananas to Chiquita. The union liked the cooperative idea, but rejected selling to Chiquita, preferring to deal with the German firm. Morris explained that the purchase turns on a loan from the central bank, Banco Nacional. The loan would be guaranteed by the contract with Anton Derbek.

PAFCO balked at the loss of the chance to get the fruit without the responsibilities that come with being an owner and employer. PAFCO legal representative Virgilio Aizpurua said that the company had offered to buy the fruit, provide technical assistance, and finance 30% of the operation of the coop. He said that if any other company, meaning Anton Derbek, were interested in buying bananas, it would have to deal with PAFCO, "the owner of the product." Morris said that the German firm had committed to dealing directly with PAFCO. The union had rejected PAFCO's offer previously, said Morris, because, among other things, "The company said publicly that their assets cost US$30 million; we didn't think they were worth that much. An audit has to be done, and whatever comes of that, we are ready to buy it immediately."

The company had said on Jan. 14 that, if the union continued to reject its offer, it would look for another operator for the plantations. It would appear from the continued negotiations that it did not find one. Aizpurua said then that he had already spoken with the German company and had been told that the company "is not interested in investing in Panama, that it's not going to risk an investment, that it is not interested in making loans to the workers."

The transition from worker to stakeholder in a cooperative brings with it the risks and insecurities usually assumed by the large operating companies that can factor uncertainty into their pricing structures and other hedging operations. The incentives for these workers are at least as much negative as they are positive; they have no other options. They are 550 km away from the capital, in the impoverished region dominated by Baru, Panama's only volcano. Additionally, there are some risks peculiar to the banana industry that go far beyond considerations of wages and benefits.

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The workers are trying to buy into a business that could be dead a decade from now. Central American banana workers are just a tiny fraction of the half billion people worldwide who depend on bananas, and whose dependency grows ever more precarious as at least two fungal diseases rage through the world killing off bananas wherever they are cultivated. Freak fruit The problem, according to Belgian plant pathologist Emile Frison, is the tiny gene pool from which practically all commercial bananas come.

The scientist, director of the International Network for the Improvement of Banana and Plantain (INIBAP), a global network of banana specialists, said in a recent article that the genetic uniformity makes the banana "ripe for disease like no other crop on earth." A single variety, Cavendish, accounts for almost all bananas sold in the world. The Cavendish is a freak; bananas in the wild are almost inedible, full of hard seeds. Plant biologists theorize that this one was a rare mutant found by early hunter-gatherers. The genetic accident that makes them seedless, and therefore edible, also renders them sterile. They can be grown only by replanting cuttings from a parent plant. And they are sitting ducks for the diseases now ravaging their plantations.

There are two such diseases. One is black Sigatoka, which first appeared in Fiji in 1963 and has since become a global threat. The fungus can only be controlled by spraying with toxic chemicals 40 times a year, a practice to which it is developing resistance. The other is Panama disease, a soil fungus that 40 years ago wiped out the Gros Michel, the dominant export banana of the time. Ground that has hosted Panama fungus remains unusable for years, even with applications of poison.

As yet, there is no acceptable substitute for the arguably doomed Cavendish. Honduran researchers did produce one possibility, but it tastes like an apple and has been roundly rejected. The sterility of the commercial plant leaves researchers with no easy way to breed new varieties. The only other currently available option is genetic modification, a technique that has so far been eschewed in the European market and elsewhere and is strenuously opposed by environmentalists concerned with long-term health and ecological effects.

But while scientists seek a new type of banana, nature has produced a new form of Panama disease, called race 4. This fresh fungus has spread through Australia, South Africa, and parts of Asia. It is only a matter of time, says INIBAP, before it strikes Latin America and the Caribbean. Race 4 attacks roots and cannot be controlled by fungicides. One hope at the moment lies with the Global Musa Genomic Consortium. This organization has announced that the banana will be the first commercial fruit to have its genome mapped. It will take five years. But after that, it is expected that precise modifications will be possible to produce a resistant banana.

Other possibilities lie in some other varieties produced by classical breeding. The last ten years has seen some varieties emerge, which are the product of 80 years of breeding made painfully slow by the characteristics of a sterile plant that takes as much as 18 months to fruit. But all this will not come in time to save Central American banana workers who, in their effort to control disease in their cash crop, become sick themselves. The repetitive spraying destroys the lives of these workers and their families. Bananas require more fumigation than any other export crop, according to INIBAP. As it bargains with the Panamanian workers in its quest for liability-free bananas, Chiquita Brands International, PAFCO's parent, is simultaneously engaged, together with Dole Food, Del

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Monte Fresh, Shell Oil, Dow Chemical, and Occidental Chemical, in defending itself against banana workers who have been damaged by their association with these corporations' products.

Working with their heads in the clouds

In Nicaragua and in Costa Rica, the current issue is sterility, not of banana plants, but of the workers who regularly labored enshrouded in billows of dibromochloropropane (DBCP). The pesticide has been banned in the US since 1977 when a third of the workers manufacturing it at Occidental were found to be sterile (see NotiCen, 1998-05- 28). It was subsequently documented as a powerful carcinogen and testicular toxin. But manufacturers and growers found the chemical suitable for export. The companies do not question the toxicity of the chemical; that was acknowledged in a 1997 lawsuit in which all the companies except Dole settled with 26,000 workers in Central America, Africa, and the Philippines for US$41 million, and before that in a 1992 settlement in Costa Rica where 1,000 workers were awarded US$20 million.

In the 1997 case, each of the plaintiffs netted US$1,500 after legal fees. Despite the occasional multimillion-dollar setback, the companies have successfully argued for years that the cases should be heard where the injuries occurred. Said Alejandro Garro, a professor of Latin American law at Columbia University, "Courts in foreign countries are not up to the task of handling these kinds of cases. These countries have 19th century legal structures and have no system in place to deal with extremely technical class-action cases involving thousands of workers." But one of those countries, Nicaragua, tried anyway.

With pressure from the labor unions, Nicaragua passed a law in 2000 for DBCP victims that requires corporate defendants to put up a bond of US$100,000 per case. Since then, over 400 cases, seeking more than US$9.6 billion in damages for 7,000 plaintiffs, have been filed. Recently a Managua court ordered Shell, Dole, and Dow to pay US$489.4 million to 450 workers. The companies refused to pay. Now they want to be tried in the US.

They have come to rue their old strategy. The companies are lobbying the Bush administration to press Nicaragua to repeal its victim's law. The administration was responsive to the corporate plea, and Secretary of State Colin L. Powell was, according to The New York Times, dispatched to take up the matter with his Nicaraguan homologue. Otto Reich also raised the matter in September 2002 during a visit to the country.

Nicaraguan Ambassador to the US Carlos Ulvert told the Times, "The State Department said, 'You have some large American companies that have an interest in this; it is in your interest to find a solution.'" Nicaraguan officials now expect US pressure to crop up in the current negotiations for the Central America Free Trade Agreement (CAFTA) talks. They said that they have already been approached by Dow, Shell, and Dole, and told that the law hurts the foreign investment climate in the country.

Meanwhile, in Panama, on Feb. 11, Chiquita rejected the worker's offer of US$15 million for property that the transnational valued at more than twice that figure.

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