

Alternative trade in bananas: Obstacles and opportunities for progressive social change in the global economy

Douglas L. Murray and Laura T. Raynolds

Department of Sociology, Colorado State University, Fort Collins, Colorado, USA

Accepted in revised form June 21, 1999

Abstract. Fair trade bananas are the latest in an increasing array of commodities that are being promoted by various organizations in an effort to create alternative production and consumption patterns to the environmentally destructive and socially inequitable patterns inherent in traditional production and trade systems. Fair trade is touted as a strategy to achieve more sustainable development through linking environmentally and socially conscious consumers in the North with producers pursuing environmentally sound and socially just production practices in the South. Promotion of fair trade bananas in Europe has achieved impressive initial gains on the consumer end of the commodity chain, capturing 10 percent or more of the banana trade in several countries. Yet in spite of these gains, the fair trade banana initiative appears to be encountering serious obstacles to its further success. We argue that the primary challenge in creating a truly alternative trade in bananas stems from the difficulties of upholding rigorous social and environmental standards in the face of increasing inroads into fair trade markets by transnational corporations producing under less rigorous conditions. We then develop a series of options for strengthening fair trade banana initiatives in both Europe and North America. We conclude by arguing that the case of bananas illuminates the general question of how to achieve more progressive and sustainable production and consumption systems within a global system that drives production and consumption toward greater integration and homogenization under the control of transnational corporations.

Key words: Alternative trade, Bananas, Fair trade, Globalization, Sustainable development

Douglas Murray is an Associate Professor of Sociology at Colorado State University. He divides his time annually between teaching the Sociology of Development at CSU, and working as an Advisor on Central American development issues for the Royal Danish Embassy in Managua, Nicaragua.

Laura T. Raynolds is an Assistant Professor of Sociology at Colorado State University. Her research focuses on globalization, agro-food commodity systems, agrarian restructuring, and gendered labor forces in the Caribbean and Latin America.

Introduction

Bananas produced under more socially and environmentally sustainable conditions and marketed through alternative trade channels are making important inroads in a global market traditionally controlled by a few transnational corporations infamous for the negative social and environmental impact of their production practices. This new trade in bananas is expanding an already significant market for an array of alternatively traded commodities with global sales valued at 400 million dollars a year (Fair Trade Federation, 1999). While alternative trade initiatives vary considerably in their focus and scope, their common goal is to link socially and environmentally conscious consumers in the North with producers in the South pursuing more socially just and ecologically sound production strategies. The creation of these new social

bonds between consumers and producers represents a provocative challenge to the impersonal capitalist market relations that foster the exploitative practices characteristic of the current global agro-food system.

Bananas represent one of the most widely traded agricultural goods, with annual shipments valued at roughly five billion dollars (FAO, 1999). The vast majority of these bananas come from Latin America, where a few large corporations have historically controlled the export industry. Chiquita Brands and Dole Food Corporation currently control over 50 percent of world banana trade, producing bananas in numerous countries for the major US and European markets, as well as other destinations (Hallam and Peston, 1997: 44). These vertically integrated corporations cultivate, transport, ripen, and wholesale their own produce. Chiquita and Dole operate huge Latin American plantations, monocropping bananas

over thousands of acres using heavy applications of fungicides, insecticides, and other chemicals. Large-scale, chemical intensive banana cultivation has fueled significant environmental and health problems in parts of Latin America, including deforestation, soil erosion, water pollution, and pesticide poisonings (Raynolds and Murray, 1998). Thousands of local workers are employed on these corporate plantations,¹ typically under difficult conditions. Banana corporations often avoid paying already low minimum wages and legislated benefits by hiring temporary workers and have frequently been involved in efforts to undermine the right of workers to unionize (Bourgeois, 1989; Moberg, 1996; Purcell, 1993).

There is a clear need for progressive movements to challenge the ecologically and socially destructive practices that characterize the corporate dominated world banana industry. We argue that the alternative trade movement represents one promising, though not unproblematic, avenue for molding a more environmentally sound and socially just world agro-food system.² To elaborate this argument, we begin our study with a brief discussion of the theoretical contradictions and historical tensions in defining alternative trade markets in Europe and the United States. We then explore the growing alternative banana trade linking Southern producers with Northern consumers on either side of the Atlantic, showing how the development of new trading links may offer a critical opening for progressive social change in the banana industry.

With this background, we go on to discuss the central obstacles we see to building and maintaining a progressive alternative trade in bananas and key strategic factors to be considered by progressive movements in the efforts to overcome these obstacles. At the broadest level, progressive interests need to ensure that any reorganization of the world banana market resulting from the Chiquita/US challenge to the World Trade Organization over the European banana import regime does not restrict the importing or marketing of alternative produce. With currently booming sales of alternatively traded bananas in Europe and the anticipated entry of alternative bananas in the United States by the end of 1999, progressive interests need to resist the efforts of transnational corporations to capture this lucrative new market and influence the debate over the standards that distinguish alternatively traded bananas from conventional produce. Although progressive alternative trade movements in Europe and the United States have historically been quite distinct, we suggest that the gap between these two movements must be bridged if a challenge to the domination of the banana sector by socially and environmentally exploitative transnational corporations is to be successful.

Tensions in defining alternative trade

Over the past two decades the interrelated processes of globalization, industrialization, and market liberalization have dramatically increased social inequality and environmental destruction around the world. Confronted by the consequences of our modern production and trading practices, a growing number of people in both the North and South are attempting to devise alternatives that are more socially and ecologically sustainable. There is a rise in so-called new social movements that question the institutions and practices of our modern political, economic, and cultural systems, with the environmental and anti-imperialist movements providing the major current challenges to the global neo-liberal market system. As well as unleashing destructive forces, globalization, industrialization, and liberalization appear to be creating openings for a variety of oppositional movements to forge new bonds of social and ecological interdependence (Beck et al., 1994). Alternative trade suggests one such opportunity for progressive social change that takes advantage of these new political spaces opening up both above and below the level of the nation state (Tickell and Peck, 1995).

The goal of alternative trade is to establish new social links between producers in the South and consumers in the North, thereby countering the organization of world trade around abstract market principles that devalue and exploit disadvantaged peoples and the environment, particularly in poorer regions of the South (Brown, 1993). The need for such re-linking is perhaps nowhere more striking than in the global agro-food system, which is characterized by environmentally and socially destructive large-scale industrial agricultural practices and highly disadvantageous international trade conditions favoring transnational corporations (Friedmann, 1993). While peasants and farm workers in the South find it hard to feed themselves or maintain the environmental resources upon which agrarian production is based (Murray, 1994; Raynolds, 1997), increasingly consumers in the North find their food to be of questionable safety and devoid of valued social content (Arce and Marsden, 1993; Fine and Leopold, 1993). As recognition of the crisis in the world agro-food system has grown, so too have various movements to create a more just and environmentally sound food system (e.g. Magdoff et al., 1998).

As one such effort, alternative trade seeks to both build concrete new North-South links between socially and environmentally conscious producers and consumers, *and* integrate social and environmental principles into mainstream international commerce. A potentially powerful, yet contradictory aspect of

this strategy is that it operates “in and against the market,” trying to bring about market reform without directly challenging the international market structure (Brown, 1993: 87). As a market based movement, alternative trade faces many of the pitfalls of other consumer movements, including the risk that the purchasing preferences of wealthy Northern consumers will unduly shape its direction. To maintain its progressive thrust, the alternative trade movement has tried to educate consumers to move beyond their own self-interest in making purchasing choices. And unlike many progressive Northern agro-food initiatives that promote a “buy local” strategy that bypasses and may potentially erode the market for food exports from countries of the South (Wilkins, 1995), alternative trade acknowledges that producers in the South have historically been made dependent on export markets. In addition to supporting the purchasing of exports from poor countries in the South, many alternative trade groups focus on integrating marginalized producer groups into the new trade network (EFTA, 1998), thus attempting to avoid the problem of favoring a few progressive producers while disadvantaging others.³

Perhaps the greatest challenge for alternative trade groups is to ensure that they go beyond creating a parallel (perhaps necessarily ancillary) market for alternative products in the North, to address their broader mission of transforming international commerce. How do these progressive initiatives hope to transform traditionally exploitative global production and trade relations? By demonstrating that more socially just and environmentally sound international commerce is possible, alternative trade organizations try to promote a reconsideration of conventional market principles and provide a model for progressive change. Many alternative trade groups also argue that campaigning for reforms in the corporate practices and national and international laws that support exploitation in the current market system is fundamental to fulfilling their broader goal of transforming international trade (see for example EFTA, 1998).

The role of social justice and environmental interests in defining what constitutes alternative trade remains highly contested. In Europe, alternative trade has been promoted and shaped by a broad range of groups seeking to counter imperialist tendencies in international commerce through “Fair Trade” campaigns. By fostering the awareness of progressive consumers of the global social implications of their purchases, the Fair Trade movement has generated a large market for a range of alternative commodities (EFTA, 1998). In Europe, “ethical consumption” has become so prominent that corporations are competing to capture what they see as a niche market

for commodities distinguished by their social content (Brown, 1993: 184). But behind this rhetoric of social responsibility, many of these corporate efforts amount to little more than an advertising campaign and corporate face lift (Watkins, 1998). Paralleling the rise in ethical purchasing, Europe has seen an increase in environmental consciousness that has spurred the market for organic foods and the insertion of ecological concerns into Fair Trade initiatives.

In the United States, it is environmental interests and groups that are leading the much more modest American alternative trade movement. Here “green consumption,” where consumers choose products less harmful to the environment and presumably more healthy for themselves, has made the greatest inroads in conventional markets. The dramatic growth in the US organic food market demonstrates the strength of this new consumer consciousness. Though organic agriculture was originally characterized by small local operations, corporations have sought to capture this lucrative market, greatly increasing the scale of operations and undermining the progressive social and environmental foundations of the organic movement (Buck et al., 1997; Lawrence et al., 1998). Environmental issues have become so salient to US consumers that many corporations have begun adopting green rhetoric for themselves and their products. Similar to the social image pursued by some European-based corporations, much of the US corporate environmentalism is little more than a “green wash” masking conventional exploitative business practices (Bonanno and Constance, 1996). In the United States, alternative trade initiatives organized around social justice issues has been limited. Though efforts to insert greater social content into green consumption initiatives continue, to date they have been only partially successful.⁴

Challenging conventionally exploitative agro-food production and trade practices through the creation of a truly alternative trade in bananas and other commodities remains a promising, though complicated, avenue for progressive social change. As we detail below, European and American movements reveal a critical tension in combining social and environmental concerns in shaping alternative trade, given the historical divergence and even antagonism between these two oppositional movements. More problematic is the threat that the space that appears to exist for creating a truly alternative trade will be captured by agro-food corporations able to transform this progressive initiative into a niche marketing scheme for products re-packaged under “green” and/or “ethical” symbols. As in other domains, corporations seek to appropriate and regulate the terrain of alternative trade to increase their legitimacy by making themselves appear environmentally and socially responsible and to bolster capital

accumulation via the creation of lucrative new niche markets (O'Connor, 1998). Will agro-food corporations be able to coopt environmental and social justice movements and reorganize the nascent alternative trade around conventional market forces? As we demonstrate in the case of bananas, alternative trade initiatives present important opportunities for challenging conventional agro-food production and trade practices, but a number of critical obstacles lie ahead for both the US and European based movements.

Alternative trade in Europe

The European alternative trade movement has grown out of a variety of successful Fair Trade initiatives fostering more equitable and sustainable links between Northern consumers and Southern producers. In the 1960s, church and development organizations began opening alternative shops in a number of European countries, selling handicrafts and other items from sponsored Third World groups at prices promising a decent return to producers (EFTA, 1998). The alternative trade movement gained momentum in the 1980s, when coffee and bananas were imported from Nicaragua to counter the US blockade.⁵ These varied initiatives forged the essential Fair Trade strategy of using international commerce as a vehicle for promoting social justice and equitable development. Over the years, most European Fair Trade groups have expanded their focus to embrace growing environmental concerns. As one organization reports: "we need to set minimum **environmental** standards (as opposed to organic/bio) in order to promote our social aims, but also in order to fulfill a stewardship role towards the ecosystem earth" (TransFair, 1996: 4).⁶

A number of progressive groups have forged a common view of the fundamental Fair Trade principle: to reshape international trade to provide a just return, continuity of income, and decent working and living conditions for disadvantaged producers through sustainable development.⁷ There are now 70 Fair Trade importing organizations operating in 16 European countries (EFTA, 1998: 25). Though differences in priorities and strategies remain, these groups have increasingly coordinated their activities, with 12 of the largest groups joining in 1990 to form the European Fair Trade Association (EFTA), and expanding further in 1997 to form the umbrella organization, Fairtrade Labelling Organizations International (FLO).

The rise of labeling organizations that screen products and certify those that satisfy Fair Trade standards has been a critical factor fueling the growth of Fair Trade in Europe. These labeling organiza-

tions promote the availability of certified products in supermarkets and other conventional outlets.⁸ With the broadened availability of Fair Trade products outside the confines of specialty shops, purchases have soared, with European sales reaching 250 million dollars by 1995 (EFTA, 1998: 25). The European Fair Trade market is expanding by five percent each year, with much more rapid growth in some areas.⁹ Roughly 75 percent of the Fair Trade market is comprised of food products, including coffee, tea, cocoa, sugar, rice, honey, orange concentrate, and now bananas. Fairly traded coffee (one of the most well established commodities) is carried by major supermarket chains in a number of countries, is served in the European Parliament, and now holds three percent of the entire European coffee market (EFTA, 1995: 25).

The Fair Trade banana initiative in Europe

Fair Trade bananas were introduced in Europe in the fall of 1996 by the Max Havelaar group, Europe's oldest Fair Trade labeling organization, in conjunction with a new importing/distribution company (Banana Link, 1997b: 15; Chambron and Smith, 1998: 86). By 1998, European sales of Fair Trade labeled bananas had grown to 14,655 tons per year (FAO/FLO data cited Banana Link, 1999b). Switzerland imports the largest volume of Fair Trade bananas, at 7,221 tons annually. This represents 14 percent of Swiss banana imports. One month after their arrival in the Netherlands, Fair Trade bananas had acquired a 10 percent market share. All major Dutch supermarket chains carry this produce now, with annual imports totaling 4,168 tons. In Denmark, the FDB-owned Super-Brugsen super market chain has been supplying a fifth of the Fair Trade bananas (627 tons) for the Danish market. Recently introduced Fair Trade bananas have already gained a significant hold in the German and Belgian markets with imports of 2,018 and 586 tons respectively. And plans are underway to launch them in England, one of Europe's largest banana markets.

The initial success of Fair Trade bananas appears to only hint at the potential European market. A recent European Community study estimates that there is an annual market for 300,000–400,000 tons of Fair Trade bananas in Europe, roughly 25 times the current volume (Banana Link, 1997a: 1). Fully 75 percent of European consumers reported they would buy Fair Trade bananas of equivalent quality if they were available, and most would be willing to pay an additional 10 percent premium over the cost of standard bananas.

To be Fair Trade certified, banana production and marketing must meet the standards outlined below, which are adapted from the broader Fairtrade

Labelling Organizations International standards (FLO, 1998).

- Trade must be as direct as possible to maximize the return to producers.
- Producer prices must meet FLO's minimum – covering production costs, an organic bonus, and a social and environmental reinvestment premium – and move upward with the market.
- Producers must be democratically organized associations of small growers or plantations in which workers are fully represented by independent and democratic organizations.
- Producers must uphold basic labor standards involving rights to association and collective bargaining, freedom from discrimination and unequal pay, no forced or child labor, minimum social and labor conditions, and rights to safe and healthy working conditions.
- Producers must uphold basic environmental goals encouraging biodiversity, preventing erosion and water pollution, controlling pesticide and fertilizer use, and reducing wastes.

The first Fair Trade labeled bananas came from a plantation in Ghana known for its environmentally sound practices and progressive labor policies. This plantation is currently shipping 4,000 boxes of Fair Trade bananas to Europe each week. Additional banana supplies are now coming from associations of small-scale producers and progressive plantations in the Dominican Republic, Costa Rica, and Ecuador.¹⁰ Plans are also underway to market bananas from the Windward Islands, where traditionally small-scale low input production conditions compare favorably with Fair Trade standards (Banana Link, 1997c: 1, 7). Fair Trade banana producers receive from 40 to 80 percent more for their produce than they would get from the major transnational corporate distributors. In Ghana this price premium is intended to be used to purchase a 25 percent share of the plantation enterprise for the workers. In Ecuador the bonus is earmarked to strengthen the producer organization and to finance environmental improvements (Chambron and Smith, 1998: 86).

Alternative trade in the United States

As previously suggested, the focus and scope of alternative trade initiatives in the United States has been somewhat distinct from that in Europe. Though various church and development groups have over recent decades tried to create alternative trade outlets and foster solidarity purchasing, these efforts have

failed to gain the broad consumer support witnessed in Europe.

In 1995, retail sales of Fair Trade commodities in the United States totaled only 20 million dollars, less than 8 percent of European sales that same year (TransFair USA, ND). The US Fair Trade market has historically been dominated by handicrafts that are sold through specialty outlets (Fair Trade Federation, 1999). The experiences of Equal Exchange, the US Fair Trade food product pioneer, reflects the difficulties in building an American Fair Trade movement. Founded in 1985, Equal Exchange imports and labels coffee using the same basic criteria as its European Fair Trade counterparts. Equal Exchange labeled coffee is now available in some regular stores, but total sales only amount to three million dollars per year (Rosenthal, 1997). According to an Equal Exchange co-founder:

At two separate times in the 1990s, hoping to expand geometrically the Fair Trade volume in the United States, we tried to motivate a national Fair Trade seal for coffee . . . both efforts failed to rally the critical mass needed for lift-off. (Rozyne, 1996; cited in McLean, 1997)

An initiative to create a US Fair Trade label appears to finally be off the ground, with the establishment of a US affiliate of TransFair International in April 1996. Equal Exchange was one of the first organizations to be licensed by TransFair USA, with two additional organizations receiving coffee licenses by 1999 (Transfair USA, 1999). TransFair USA hopes to both strengthen the market for Fair Trade coffee and expand into a range of other foods, including tea and bananas.¹¹ TransFair USA has become a member of the umbrella organization Fairtrade Labelling Organizations International.

While social justice focused alternative trade initiatives have not fared as well in the United States as in Europe, the market for alternative organic and environmentally sensitive products has grown exponentially. The organic movement taps mounting consumer concern over health and food safety issues, but has historically been detached from social justice issues. In the past few years the United States has witnessed a related growth in powerful eco-labeling movements led by environmental groups seeking to certify that large corporations follow ecologically friendly production practices. These initiatives in ocean and forest products benefit from rising environmental consumer consciousness and corporate interest in "greening" their image, but again have largely been divorced from social justice concerns (Constance and Bonanno, 1998).

The alternative banana trade in the United States

In this context we can better understand why alternatively traded bananas are emerging in European and US markets in such different guises. TransFair USA has a stated interest in launching Fair Trade bananas, but has not yet developed a plan for doing so. Meanwhile, the environmental non-governmental organization, Rainforest Alliance, has begun certifying bananas under its "ECO-OK" and "Better Banana" programs and expects to see these bananas introduced on the US market by the end of 1999 (personal interview with Sabrena Rodriguez). In keeping with the environmental focus of its founding organization, this banana initiative was conceived as a "conservation certification" program with only secondary concern for social justice issues.¹² Seven out of the original nine banana certification principles used by Rainforest Alliance involved environmental requirements; the only principles referring to social conditions suggested rather vaguely that producers must "ensure fair treatment and good conditions for workers and must maintain good community relations" (Rainforest Alliance, ND). In more detailed accounts of these criteria, Rainforest Alliance included such conditions as pesticide safety and training provisions, as well as criteria pertaining to housing and sanitation.¹³

Since 1991, Rainforest Alliance has certified 145 banana farms, covering 35,000 hectares in Costa Rica, Panama, Colombia, and most recently Ecuador (Banana Link, 1999a).¹⁴ Fully 20,000 hectares of this certified production is owned by Chiquita Brands International, the world's largest banana distributor (Rainforest Alliance, 1998). Chiquita plans to have its entire network of huge Latin American banana plantations certified under the Better Banana program by the year 2000 so that it can begin shipping its newly labeled produce (Americas, 1997).

In contrast to the European Fair Trade concept of building a parallel trade that challenges the power and practices of large transnational corporations, Rainforest Alliance has fostered a close collaboration with dominant corporations in order to bring about the greatest conservation impact in the shortest time. Working with the world's largest banana corporation is part of Rainforest Alliance's defining strategy of "constructive engagement" aimed at "bridging the gulf between environmentalists and industry" (Rainforest Alliance, ND).¹⁵

Obstacles to alternative trade bananas

The alternative banana initiatives in Europe and the United States have very different priorities and

organizational roots, yet they face a number of related obstacles in the creation and maintenance of progressive alternative production and trade conditions. Due to the globalized nature of the banana market, these historically divergent movements can be expected to come into much closer contact and competition in the future. While there may be opportunities for collaboration, we also see areas of potential conflict.

The basic problem facing the Fair Trade movement in Europe will likely be meeting the demand of European consumers for bananas. As suggested earlier, recent research finds that the European market could absorb roughly 25 times the volume of Fair Trade bananas currently available. European Fair Trade organizations seeking to increase banana supplies are currently hindered by the complex and changing EU banana import regime. Since 1993, EU banana imports have been regulated by a quota tariff system that privileges banana shipments from former colonies handled by traditional importing companies (Raynolds and Murray, 1998). Small producer cooperatives in Colombia, for example, reportedly could only ship 20 percent of their Fair Trade bananas to Europe due to quota restrictions on that country (personal communication, Rolf Belling). Acquiring banana import licenses under the EU system has been a further impediment for Fair Trade importing organizations. Though there was an initiative to get a quota for Fair Trade bananas, this strategy has been checked by the World Trade Organization (WTO) decision, siding with the United States, that the EU banana quota system violates international free trade agreements (Raynolds and Murray, 1998). The current challenge for the Fair Trade movement is to ensure that the new EU banana import regime under negotiation does not restrict the entry of Fair Trade produce.

In addition to quota and licence restrictions, Fair Trade banana imports to Europe have encountered shipping and distribution constraints. Moving beyond relatively durable products like coffee into highly perishable bananas, has brought new challenges for Fair Trade organizations. In bananas, intermediary operations must be highly coordinated to ensure that the produce arrives in supermarkets unblemished and in amounts that will be sold before spoiling. Lacking the well-developed refrigerated transport system of the transnational fruit companies, Fair Trade banana shipments have experienced delays and other problems that have adversely affected their appearance and quality at the point of sale.

These importing and distribution problems have made supplying Fair Trade bananas to the European market difficult, but not impossible. But what will happen as the Fair Trade movement tries to scale ship-

ments upward to meet the significantly greater demand that currently exists? Not only might increased supplies put additional stress on the logistical capacity of intermediary networks, but at some point the Fair Trade movement will have to find far greater sources of bananas than have been identified to date.

The need to expand production, while maintaining rigorous social and environmental standards, may create supply obstacles for the European Fair Trade movement. Though Fair Trade organizations have been able to identify enough banana farmer cooperatives and small progressive plantations to maintain supply, the majority of the world's export bananas are produced on large-scale enterprises that come nowhere near satisfying Fair Trade standards (Raynolds and Murray, 1998). To meet greater demand, the Fair Trade movement will either have to find many more smaller scale producers (a difficult challenge at present) or find ways to bring many more large scale plantations into compliance with Fair Trade criteria (also a daunting challenge). Already the Fairtrade Labelling Organizations banana register committee has had to reject a number of applications by plantation producers unable to meet the established criteria.

The alternative trade initiative of the US-based Rainforest Alliance represents a contrasting case in relation to the problems associated with both supply and standards. The Rainforest Alliance's environmental standards, as noted earlier, are generally well developed. But the social standards remain weak. These standards were set through a series of meetings with a selected group of stakeholders in the banana trade. Unions were excluded from these policymaking meetings and invited to a subsequent meeting only after the standards were developed.¹⁶ In contrast to Fair Trade standards, the Better Banana program does not require that workers be represented by democratic and independent organizations, nor that basic ILO labor conventions be upheld. Failure to require that workers be represented by an independent elected body raises social justice concerns, but also concerns regarding effective monitoring of production practices on certified plantations. Outside monitors will have a difficult time guaranteeing production conditions when they can visit only infrequently and, without an independent workers' group to consult, tend to primarily rely on corporate managers for information regarding compliance.

By working so closely with Chiquita Brands, Rainforest Alliance has assured that there will be no shortage of their labeled produce. With its huge plantations, its fleet of refrigerated vessels, and its tightly coordinated ripening and distribution system, Chiquita will be able to guarantee shipments of large quantities of bananas. The revised EU banana import

regime generated by the WTO ruling is likely to open the door to larger Chiquita and other transnational fruit company shipments. And increasing the volume of Rainforest Alliance certified banana imports is unlikely to put pressure on production standards, since almost all of Chiquita's plantations have already met the relatively weak criteria.

The potential for a clash between produce that satisfies the rigorous Fair Trade standards established in Europe and the Rainforest Alliance certified Chiquita bananas is obvious. In fact such a confrontation appears to have already begun. In April of 1996, the largest Danish retailer, FDB, signed an agreement to market Chiquita bananas in Denmark, Sweden, and Norway. FDB subsequently began using the Rainforest Alliance's certification of Chiquita bananas as part of a promotional campaign. FDB soon cut purchases of Fair Trade certified bananas, which fell from 8,000 boxes weekly to 400 boxes weekly (personal communication, Rolf Belling). In this case the European retailer appears to be trying to take advantage of the new market generated by the Fair Trade movement to sell bananas that would clearly not qualify for Fair Trade certification. Having created a flourishing market, the European Fair Trade movement could still lose that market to corporations providing large volumes of bananas labeled under far less stringent criteria.

Strategic considerations for the future of the alternative trade in bananas

As we have argued, the primary task for the European Fair Trade movement is to expand Fair Trade production to meet consumer demand, while maintaining stringent Fair Trade standards. The challenge has been made more formidable by the entry of transnational fruit companies into the European alternative trade market through certification by non-Fair Trade organizations employing weaker social standards.

In response, European Fair Trade organizations have pursued a combination of media campaigns and negotiations with retailers and supermarket chains to raise issues about the conditions under which transnational fruit companies produce bananas. In Denmark, several alternative trade organizations and trade unions have been meeting with FDB to try to shift the retailers' marketing strategy toward greater promotion of Fair Trade labeled bananas, an initiative the retailer has thus far resisted. Similar campaigns have been launched in other countries, targeting one or more of the transnational fruit companies. One such campaign was reportedly instrumental in a recent labor agreement between Del Monte and the main banana

workers union in Costa Rica (R. Belling, personal communication).

The potential clash between Fair Trade and other labeling initiatives in the North American banana market is just beginning to take shape. Both TransFair USA and TransFair Canada have indicated that they will expand beyond coffee to promote Fair Trade bananas in the near future. Such an initiative could strengthen Fair Trade on both sides of the Atlantic by building a more uniform, and more visible Fair Trade movement. Given Rainforest Alliance's indication that it intends to launch its bananas in the United States within the year, the TransFair campaigns will likely begin at a critical moment. The question will be whether the North American Fair Trade organizations can distinguish their progressive efforts from Chiquita's new marketing campaign sufficiently to mobilize North American consumer support.

This raises another strategic consideration. Part of the success of the European Fair Trade movement has been its ability to build linkages across Europe among a variety of organizations. The North American Fair Trade organizations are in a similar, although nascent, process. A key consideration in launching a Fair Trade banana initiative will be whether to work with or against Rainforest Alliance's Better Banana effort. Initially, Rainforest Alliance was criticized by many European Fair Trade organizations for its weak social standards and collaboration with Chiquita. More recently, discussions between the European organizations and Rainforest Alliance have been more positive. Perhaps the Better Banana social standards can be brought in line with the more rigorous Fair Trade standards. If this is not possible, it appears the stage is set for a forceful confrontation in which the social conditions under which Fair Trade bananas are produced are contrasted with the social conditions on the certified Chiquita plantations.

Conclusion

The case of Fair Trade bananas is but the latest example of the difficulties encountered in trying to pursue progressive social change through market based initiatives in the era of a globalized neoliberal trade regime. As several scholars (Beck et al., 1994; Tickell and Peck, 1995) have argued in recent years, the process of globalization has contradictory characteristics. While powerful forces are at work to homogenize and make interchangeable the various regions of the world and the various steps in the commodity chains, there are also dynamic processes of building new linkages for progressive social change across North/South and US/Europe lines, creating open-

ings where alternative visions can be articulated and pursued.

The primary tension at present is how various social movements and organizations can take advantage of this contradictory environment. Popular organizations generally have limited means and resources by which they can mobilize support and advance their causes. Further, transnational corporations are constantly seeking to capture these initiatives and redefine them in ways that advance not progressive agendas, but their own private profits.

The Fair Trade banana market emerging in Europe is a powerful example. On the one hand it represents the implicit assertion of a non-alienated commodity form in which consumers and producers are linked around a common agenda for advancing a progressive vision of sustainable development. On the other hand, the emerging market is a terrain on which transnational capital is pursuing new sources of profit in a highly competitive global economy. In effect, the transnational fruit companies are moving to coopt and limit this progressive opening. In that sense, capital and labor are engaged in a struggle over winning the hearts and minds of European and US consumers, one toward a progressive and potentially non-capitalist vision reintegrating production and consumption, and the other toward a furthering of globalized and impersonal production and consumption. This contest will be increasingly conditioned by the course of the emerging efforts at alternative trade pursued in North America and other major markets. Thus the conflict over alternative trade bananas has become an integral part of a fundamental challenge facing those interests pursuing progressive social change in a global environment at the close of the 20th century.

Notes

1. For example, a Chiquita plantation on the Panama/Costa Rica border covers 17,000 acres and employs some 10,000 workers (Bourgois, 1989).
2. We argue that at a minimum a progressive approach to transforming the agro-food system must work to create a more environmentally sound *and* socially just system of production, marketing, and consumption. Though it is beyond the scope of this paper to outline these ties, progressive agro-food initiatives should clearly be linked to broader movements challenging inequality, poverty, and hunger in countries of both the North and South.
3. We have discussed this problem in conventional development strategies previously (Conroy et al., 1996).
4. The unsuccessful attempt to rekindle the United Farm Workers' California grape boycott by linking pesticide residue hazards to consumers with pesticide exposure hazards for workers is indicative of the historically limited

- US public awareness or concern for social justice issues in comparison to environmental or food safety issues.
5. While this initiative fostered trade as a way of supporting the Nicaraguan regime, European anti-apartheid movements concurrently reduced trade with South Africa as a way of challenging the apartheid regime.
 6. As suggested in this quote, European based Fair Trade groups typically support environmentally friendly production, but do not require that cultivation be organic. Interestingly, the newly founded US arm of the historically European Transfair group played an important role in strengthening the environmental dimensions of Transfair International's labeling criteria (TransFair, 1996: 4).
 7. The goals of Fair Trade, according to the latest negotiations within FLO, are
 - 1) To improve the livelihood and well-being of producers by improving market access, strengthening producer organizations, paying a better price, and providing continuity in the trading relationship.
 - 2) To promote development opportunities for disadvantaged producers, especially women and indigenous people, and to protect children from exploitation in the production process.
 - 3) To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively.
 - 4) To set an example of partnership in trade through dialogue, transparency, and respect.
 - 5) To campaign for changes in the rules and practice of conventional international trade.
 - 6) To protect human rights by promoting social justice, sound environmental practices, and economic security (personal communication, Rolf Belling).
 8. Within the European movement, it is common now to distinguish between Alternative Trade Organizations that import products and sell them largely through specialty outlets and Fair Trade Labeling Organizations (such as Max Havelaar and TransFair) that do not trade directly, but certify that particular products satisfy a set of Fair Trade standards. These two types of organizations often work together. TransFair International represents the European Fair Trade Association (EFTA) and the TransFair branches in Austria, Italy, Germany, and Luxemburg (a total of 108 European groups). TransFair has recently established branches in Japan, Canada, and the United States that represent another 14 groups (TransFair, 1996: 10).
 9. Between 1994 and 1996 the Fair Trade market almost doubled in both Spain and France; in Italy it is growing at over 10 percent per year (EFTA, 1998: 25).
 10. The 150 hectare plantation in Ghana employs over 800 workers and while its Fair Trade output has varied in recent years it remains a major source of alternative produce (Max Havelaar, 1996). Production data for other enterprises are unavailable.
 11. It is interesting to note that the Canadian Fair Trade movement is also growing, although it seems only slightly stronger than the US initiative. TransFair Canada was founded in 1994, and by early 1999 had issued 13 licenses, all for coffee (Waridel and Teitelbaum, 1999).

12. The Rainforest Alliance identifies itself as a pioneer in eco-labeling, based on its work with forest products via its SmartWood program.
13. Rainforest Alliance is reportedly revising its criteria, but it remains unclear whether new criteria have uniformly been adopted by previously certified producers. This question is particularly important in relation to potentially more stringent social standards.
14. Rainforest Alliance recently announced that Conservation Agriculture Network (CAN) has become the certifying organization for the Better Banana campaign. This group of non-governmental organizations is also the certifying body for Rainforest Alliance's Smartwood program ("AgroSpace" Rainforest Alliance, 1999; cited in Banana Link, 1999a).
15. We have described the significant environmental and social problems found on large scale banana plantations previously (Raynolds and Murray, 1998).
16. The exclusion of unions from this process was confirmed by both union and Rainforest Alliance representatives.

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- Rolf Belling, Coordinator, FLO, April 29, 1999, personal communication (fax).
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Address for correspondence: Douglas L. Murray and Laura T. Raynolds, Department of Sociology, Colorado State University, Fort Collins, CO 80523, USA
 Phone: +1-970-491-6492; fax: +1-970-491-2191; E-mail: dmurray@vines.colostate.edu; lraynolds@vines.colostate.edu