WHAT CAN WE LEARN FROM THE BANANA EXPERIENCE IN COLOMBIA?

Study of Industrial Relations on Fairtrade Certified Farms in the Urabá Region

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FOREWORD

By Wilbert Flinterman,
Senior Advisor, Workers’ Rights and Trade Unions Relations at Fairtrade International

During the first years of the 21st century the Urabá region of Colombia was notorious for violence fed by conflict between paramilitary and guerrilla groups, and dangerous for trade unionists. In the last decade significant changes have taken place, whereby employers and trade unions have moved to peaceful dialogue as their means of engagement. Trade union SINTRAINAGO, now representing 18,000 workers in Urabá, of which 2,250 work at 25 Fairtrade certified plantations, has an on-going bargaining relationship with the regional association of banana employers. Banana workers generally earn a living wage and on Fairtrade certified plantations, workers, both unionists and non-union members, collaborate by investing Fairtrade Premium for the benefit of all.

We recognize the union relationship in the Urabá region as a model of an overall constructive relationship with employers, which has succeeded in gaining positive benefits for workers. In order to learn from this positive example for our work in other regions, Fairtrade International commissioned this independent study earlier this year. What specific elements in Urabá could be replicated elsewhere? How can Fairtrade best support positive and constructive union relationships elsewhere?

We would like to draw attention to the collaboration in Urabá between workers, their union SINTRAINAGO, managers of certified plantations and Fairtrade staff, using it as learning for Fairtrade and other certified producers and unions, since they will be able to read the learnings in the study. Challenges and areas for improvement still remain in Urabá and we by no means want to paint a perfect picture. We are very much aware that fairness in trade and labour relations is a work in progress and believe that progress is worth sharing.

We express our gratitude to the author Victor Quesada and also to all workers, SINTRAINAGO representatives, managers and Fairtrade staff for their time and contributions.

"Our goal is to support ‘mature systems of industrial relations’ on Fairtrade farms."

- Fairtrade International,
A New Workers’ Rights Strategy for Fairtrade
1. INTRODUCTION

After conducting an interview with Mr. Fulvio, manager of the Mirian Amparo farm, and some of his employees, he kindly offered to drive me back to my hotel in Apartadó. Just getting out of the farm to take the Turbo –Apartadó main road is not easy, so his offer was too good to refuse. That would also be an opportunity to continue with the interview, perhaps in a more relaxed and informal way. Along the way, he said something that made me think about what had happened in Urabá very recently: "There were times -even years- in which it was hard to come to the farm. Once I even stayed four months without being able to come to see the farm. At least three or four people turned up dead on this road everyday... They were all kinds of people, workers, guerrillas, soldiers, paramilitaries... All this banana area was a battlefield. (...) You were in the farm and, all of a sudden, armed people showed up. There were days on which workers did not arrive, and there was nothing you could do about it. Everyone was frightened..."

What I thought at that moment was: "These banana people of Urabá are very brave! After so much conflict, with farms practically ruined, they have been able to get back on their feet, overcoming their own resentments and pain for what they have lived through." Indeed, throughout all the interviews conducted for this study, you find an attitude that is not common in the Latin American banana plantations, especially among workers. This attitude is to be able to see things with new eyes, with openness, and to have the confidence to talk without suffering ridicule or censorship. I can say this with a certain authority, because I have conducted studies in banana plantations in Central America for many years, especially with workers, who generally tend to suffer in the present and are not excited about their future. There is definitely a different spirit in Urabá. How could Fairtrade foster that spirit in other regions of the continent? This is what this study intends to find out, or at least provide some clues about it.

A first clue was perhaps given by a worker who is a member of the joint body of El Antojo farm:

"FLO [Fairtrade] is a kickstand to fulfillment ... we are more aware of our rights and duties."

The answer focusses on Fairtrade and its contribution to the development of industrial relations.

2. ABOUT THE STUDY

With this study, Fairtrade International intends to invite other groups of workers and producers of Latin America to make a positive change toward the industrial relations that the certification standards demand. Fairtrade International does not ignore the existing problems and hurdles to meet the standards, especially those related to conditions of employment (1.4) and to freedom of association and collective bargaining (1.5). The compliance with these standards (1.4 and 1.5), especially the thoroughness that their assessment requires, has been questioned several times by opinion groups in consumer countries. This is also the reason why unions and productive sectors in the continent have distanced themselves somewhat.

Unlike conventional fruit trade, Fairtrade depends on credibility. A consumer is willing to
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pay more for a product, as long as this extra money is invested in improving communities, workers and even farmers' lives.

Banana production in Colombia gives lessons on how to establish a permanent social dialogue between workers' representatives (with their union), and employers (with their association), because it is here in the banana plantations of Colombia that Fairtrade Standards on conditions of employment and freedom of association are better met.

From January 27 to February 2, 2013, a visit was conducted to the banana region of Urabá, in the Antioquia District of Colombia. The mission was to collect testimonies, stories and reviews of workers, administrative officials and landowners about their experience with Fairtrade and industrial relations in their companies. Seven farms were visited: Marta María Farm (34 hectares and 23 employees), El Cortijo Farm (72 hectares and 44 employees), Bananera Urabá Rosalba Zapata (650 hectares and 450 employees), Frontera Limitada Farm (49 hectares and 36 employees), Bananera Miryan Amaro (14 hectares and 9 employees), El Antojo Farm (168 hectares and 142 employees) and Ucrania Farm (124 hectares and 72 employees). Administrative officials or landowners, members of the joint body and of the union committee were interviewed. There were also two meetings with the SINTRAINAGRO General Secretariat, a visit to the National Board of Directors of SINTRAINAGRO and a meeting with the Chingorogó Section Board of Directors. The study involved around 60 people.

The initial idea was to hold separate meetings (management, joint body and union committee), but in most cases people attended together, especially workers. This happened because there are farms where the members of the joint body – or corporation, as they call it – are also representatives of the union committee. Some managers spoke very freely and gave their opinions in front of workers.

A particular case was the visit to the Urabá Banana Company on Thursday, January 31, in the afternoon. Rather than an interview, it was a forum, due to the dynamics of the meeting. The interviewer was also interviewed, especially on what happens in other banana companies of the continent. There were nearly twenty people, including members of the union committee, members of the joint body and company managers, including a manager that was also a Fairtrade officer of the company. All of them came together, wearing shirts with the Fairtrade logo. Bananera Urabá S.A. belongs to the Rosalba Zapata C Corporation, having six banana plantations. It has its own website: www.crzc.com.co, and videos on Youtube about the investment of the Fairtrade Premium.

The study, however, did not focus on looking for "exemplary" cases of Fairtrade and industrial relations. It also tried to find situations where there are difficulties or questions regarding the application of the Standards or the general management with regards to Fairtrade. This was the case of two farms in the municipality of Chingorogó, which will be analyzed later. This time the farms were not visited. Instead, workers from the union committee were received, thanks to the cooperation of the SINTRAINAGRO section of this municipality.

We collected people's opinions and analyzed them, with the aim of using them to meet the purpose of the study.

Usually in any study there is basic information, industry data and a context that helps to understand the phenomenon. But the case of Urabá is complex, especially the events from 1980 to 2003 approximately, because there was an armed conflict situation. Until very recently, this was one of the most violent regions of Colombia. It is difficult to explain the
origin of the new industrial relations in the banana companies, because it takes a deep analysis, with the risk of being unfair, but the recent past of Urabá cannot be avoided.

Nevertheless, the important thing is to observe how this situation was overcome and what lessons can we learn from Colombia. Let’s focus on the objective of the study.

In spite of all this, the impression that the author received from the interviewed people was that the past needs to be overcome and the people of Urabá prefer to focus on their future.

3. OVERVIEW OF THE COLOMBIAN BANANA PRODUCTION

In the region studied there are two main social actors: AUGURA, created in 1963 as the Asociación de Agricultores y Ganaderos de Urabá (association of farmers and stockbreeders of Urabá), also known as the Asociación de Bananeros de Colombia (Colombia banana growers association), which groups 100% of the Urabá banana producers and 70% of Magdalena banana producers. AUGURA represents 160 companies and 340 banana farms altogether. The other key actor is SINTRAINAGRO (National Union of Agricultural and Livestock Industry Workers), which was created in 1998 and represents 98% of the industry workers in Urabá, though it is also present in the oil palm, coconut and sugar cane industries in several regions of the country.

By the end of last century, the first Collective Bargaining Agreement in the Industry was signed between AUGURA and SINTRAINAGRO, involving all members of the union and companies associated with AUGURA, a unique case in the banana history of Latin America.

Out of the 47,000 hectares that make up the Colombian banana border for export, 35,000 are in Urabá, distributed among four municipalities: Apartadó, Carepa, Chingorogó and Turbo. The production in Urabá creates nearly 20,000 direct and 60,000 indirect jobs, in a population of more than 300,000 inhabitants and an annual population growth of 3%.

Total production in Colombia is estimated at 95 million boxes a year, generating around 700 million dollars in 2012. Banana represents 3.0% of Colombia’s total exports and 6.0% of non-traditional exports, which generates 0.4% of the country’s Gross Domestic Product (GDP). Colombian banana exporters are the third biggest in Latin America. In 2009, 24.21% of the production was sent to the United States and Canada, 62.26% to the European Union and 13.55% to other countries.

As for the sector wages, a paper presented by AUGURA in February 2012 indicates that there is homogeneity in the Urabá work sector in terms of wage payments, owing to the fact that 98% of the workers are under the same Collective Bargaining Agreement. Salaries are increased according to the consumer price index. The payment is per item or per work done.

At that time (February 2012) and with an exchange rate of $1 USD equivalent to 1848.17 pesos, the minimum wage in the country amounted to $482.72 USD ($324.21 USD + 157.86 for transportation vouchers). Later on in this study, this information becomes useful, since the dollar value has dropped at an annual rate of about 6%. In January 2013, the exchange rate was $1 USD equivalent to 1,740 pesos in the exchange house and $1 USD equivalent to 1,800 in the bank, while in 2009 one dollar was equivalent to 2156.29 pesos. This negative exchange difference is affecting production costs and is considered a crisis factor for the industry.
The sector wage composition is as follows:

Legal: Wages + 52.374%
- Severance pay: 8.33% (Company)
- Severance pay interest: 1% (Company)
- Service-related bonus: 8.33% (Company)
- Holidays: 4.17% (Company)
- Non-financial contributions: 9% (Company)
- SGSSS (General System of Social Security in Health) contributions: 21.544%

Companies + 8% Worker

Extralegal: aid and premiums 3%-6%

According to the information provided at the time:

**Workers’ Average Income (women and men) in the banana industry of Colombia. February 2012.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount of People</th>
<th>Average Wage in Col$</th>
<th>Average Wage in US$</th>
<th>+ Legal and Extralegal Benefits</th>
<th>Total Average in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed term contract</td>
<td>265</td>
<td>810,349</td>
<td>438.46</td>
<td>242.79</td>
<td>681.25</td>
</tr>
<tr>
<td>Indefinite term contract</td>
<td>1,442</td>
<td>855,670</td>
<td>462.98</td>
<td>256.37</td>
<td>719.35</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed term contract</td>
<td>1,359</td>
<td>970,433</td>
<td>525.08</td>
<td>290.76</td>
<td>815.83</td>
</tr>
<tr>
<td>Indefinite term contract</td>
<td>17,566</td>
<td>981,572</td>
<td>531.10</td>
<td>294.09</td>
<td>825.20</td>
</tr>
<tr>
<td><strong>Total amount of people and average wage</strong></td>
<td><strong>20,631</strong></td>
<td><strong>927,254</strong></td>
<td><strong>501.71</strong></td>
<td><strong>277.82</strong></td>
<td><strong>779.53</strong></td>
</tr>
</tbody>
</table>

In 2011, a box of bananas in Colombia was sold on FOB prices at $7.82 USD per box of 18.14 Kilos. The average productivity reached 2,266 boxes/ hectare (41 tons/ hectare), while in Magdalena it was 1,991 boxes/ hectare (36 tons/ hectare). Historically, productivity has tended to be higher in the Antioquia area, mainly due to a higher level of corporate management in Urabá.

The dollar devaluation over the past four years has caused producers to receive less Colombian pesos for the same amount of dollars. This same situation is being faced by other countries of the region, such as Costa Rica, and has influenced the dollarization of the economy in countries like El Salvador and Ecuador.

Banana export payments are made in dollars and each time producers receive less Colombian pesos, with which they must pay production costs and wages. This issue is
under discussion with the Colombian government and export producers are pushing for the stability of the national currency. In addition to this crisis are the climatic factors affecting productivity, the costs for the control of the black sigatoka and the increase in production services (irrigation, fertilizers and industrial inputs).

SINTRAINAGRO sees producers’ concerns and is raising the issue with the government, in order to solve the exchange rate difference. SINTRAINAGRO has also been a member of national delegations (government-employers and workers) who have traveled to consumer countries to explain the banana situation. In these cases, they don't focus on the industry's economic losses, but on the fact that a decline in the banana economy jeopardizes the pacification efforts in the Urabá region.

The banana development, based on mature industrial relations, as expressed in the form of collective bargaining for the whole sector, could collapse.

Particularly, according to the interviews with Fairtrade certified farm owners and managers, the first potential effect could be suffered by small and medium producers, as the common trend is to sell the farms to larger economic groups or to search for other crops. Members of the joint bodies and the union committee agree with this.

On this issue, Mr. G. Villa, manager of El Cortijo farm, stated: "We are hoping for a property reconstruction. Only a few people can accumulate lands, and this threatens Fairtrade. (...) What is FLO going to find in the future (?)...nothing but big monopolies..."

In November 2012, several Fairtrade certified producers sent a note to Fairtrade International, warning them about the situation and responding to Fairtrade International's decision to make a cash flow review by January 2013. Producers think it could be too late.

Also in Europe, NGOs such as Banana Link have warned supermarkets and Fairtrade International about this situation, indicating that Fairtrade prices in England, far from going up, have dropped.

There is a direct claim and certain irony in Colombia, because, in spite of being the country that makes the greater effort to meet high labour and environmental standards, it does not receive a fair treatment from the world market, which Colombians think they deserve.

Many economists believe that the variation in the dollar price with regard to the national currency is part of the economic policies of a government. Indeed, the dollar devaluation can encourage other economic activities in the country, especially commercial activities (importers of goods) or the financial sector in the management of government bonds or credit to the public in that currency.

4. FAIRTRADE PARTICIPATION IN THE BANANA PRODUCTION OF COLOMBIA

Between 2009 and 2010, Colombia was reported as the country with the third highest Fairtrade income, with approximately $62 million USD (Peña 2012). Fairtrade provides two benefits: the Fairtrade Minimum Price, which ensures production costs and profit to the producer, and the Fairtrade Premium, which is given separately for its use in the social and economic development of workers and communities. The management of the Premium in Colombia is not so different to the way it is managed in other countries, in accordance with the Fairtrade Standards.
In Colombia, there is Fairtrade for both types of banana production, conventional and organic. In the case of conventional banana in 2012, the Fairtrade minimum FOB price was $9.10 USD per box of 18.14 kg, and the Ex Works price was $6.70 USD per box (or delivered at the premises, and it only applies to Small Farmers’ Organizations, when they sell to a trader in his/her own farm, without implying freight or customs costs). For organic banana, the minimum FOB price was $11.75 USD per box, and the Ex Works price was $9.35 USD per box. The Fairtrade Premium offered in all cases was $1 USD per box of 18.14 kg. (Peña 2012).

The number of Fairtrade certified banana farms in Colombia increased from 4 in 2007 to 34 in February 2012. This increase stems from to the opportunity offered by retail companies such as Sainsbury’s and Waitrose in the UK, which exclusively sell Fairtrade bananas. Both Colombia and the Dominican Republic are the ones that benefit the most from that exclusivity.

In the Urabá region, according to a list provided by the Fairtrade International office in Bogotá, there are 25 farms certified under the Fairtrade Standard for Hired Labour, totaling 2,254 jobs.

In a letter sent to Fairtrade International in November 2012, the group of producers from the region of Urabá stated that Colombia exports 6,200,000 boxes of bananas, which represents 35% of the world’s Fairtrade bananas. The Joint Bodies invest the Fairtrade Premium in the following areas: $3.8 million USD in construction and improvement of housing, $550.00 USD in education and training programs, and $1.8 million USD in recreational and cultural programs, medical assistance, community assistance and response to natural disasters.

All Fairtrade certified farms are subject to the Collective Bargaining Agreement between Augura and Sintrainagro (2011 - 2013), which protects the rights, wages and benefits of the labour sector until 2013. The benefits that the certified labour sector receives through collective bargaining are not discounted or incorporated in the Fairtrade Premium. That collective bargaining does not mention or regulate Fairtrade.

Although producers have pointed out the situation they face regarding the dollar price, in the interviews they seemed very happy with Fairtrade.

Mr. J. Jaramillo, manager/ owner of the Marta María Farm, stated: "We have modernized the farm with the surcharge, not with the Premium. (...) FLO [Fairtrade] has contributed to a new way of thinking in the farm. Workers identify their own needs and those of the farm, such as housing and education for their children, and there are possibilities of creating micro-enterprises to tackle the lack of jobs in the community, for example, the opening of a bakery. They are moving to a new stage..."

4.1. The hard road to peace in Urabá

Since the settlement of the United Fruit Company banana transnational in the region in the early twentieth century, the conflicts with the workers started, who fought against the terrible working and living conditions. In 1928, during a general strike, in which 30,000 workers participated, the government, in support of the company, made a dreadful slaughter of workers, leaving more than three thousand dead. From that moment on, the conflict between companies and workers became a constant issue.
Although the United Fruit Co. disappeared in the 1960s and much of the production became property of national landowners, the conflict continued. Soon after, several guerrilla groups and leftist political parties emerged in the region, taking on or developing the workers’ organization. The banana region of Urabá became a center of revolutionary movements. The government and landowners reacted immediately, and the Colombian army and security police forces responded violently and repressively. The conflict did not only involved banana workers, but also villagers and farmers seeking land. They were all subject to repression by the army and illegal armed groups.

In that environment, union organizations developed and grew and collective agreements were signed, but with a cost as high as lives. These agreements were generally distorted or breached, partly because the Colombian state institutions enforcing the rights of workers and citizens in general had disappeared or had a poor presence in the region.

Labour movements were linked to political groups, and the latter to guerrilla groups. It was almost impossible to find a worker who was not a member of a group, either due to political conviction or because he or she didn’t have a choice.

In the early 1980s, the Colombian state sought to go back to the region of Urabá, which not only implied the return of public service state institutions, but also the generation of the community autonomy, by means of democratic practices, such as legitimate processes of election of mayors and community representatives in the municipalities.

To that end, it was important to start a peace process in the region, bringing about talks and peace agreements with insurgent groups for the demobilization of their armed elements and offering the rebel group to become a civil movement or political party.

One of the main guerrilla groups in Urabá, the Ejército Popular de Liberación (EPL) (people’s liberation army), after nearly a decade of talks with the Colombian government, decided to demobilize in 1991 (more than 2,250 activists and 800 weapons) and became a political party: Esperanza, Paz y Libertad (Hope, Peace and Freedom). This group participates in the Urabá region’s elections, winning several seats in municipalities and appointments as mayors.

In those years, livestock and banana producers signed agreements with the government to “recover the civil power in the region”. From the government’s perspective, it was essential that farmers returned to their farms, especially those medium and small producers who could not afford the “protection” of the paramilitaries or the “war taxes” of the guerrillas, which were the reasons why they had abandoned their farms. Overall, from 1980 to the present, there have been several efforts and initiatives to achieve peace in Urabá and in the whole country.

However, other guerrilla groups and the army reacted more violently. In reaction to the guerrilla onslaught, especially the FARC-ELP group, banana landowners, with the approval and in association with high-ranking members of the Colombian army in the region, encouraged the so-called Autodefensas Campesinas de Córdoba y Urabá (peasant self-defense of Córdoba and Urabá), better known as the paramilitaries, in the mid-80s. These illegal armed forces were conceived to defend the farms in their political justification, but in practice their aim was to suppress outbreaks of guerrilla or union sympathizers and to fight the FARC-ELP guerrilla.

As a result, violence increased. More than 8,000 people were murdered in a period of less than seven years, of which 800 were leaders and members of trade unions. People lost
their lives, and the reason or the perpetrator remained unknown. The cases were not investigated.

In addition to this are the drug trafficking groups, who took advantage of the conflict to transport their drugs in the ships departing from Turbo, the main banana shipping port of Colombia.

In order to overcome this, it was important to strengthen peace-oriented democratic institutions.

In 1998, two of the main unions decided to join and form SINTRAINAGRO, in favor of peace in Urabá, but with the conviction of improving the living conditions of banana workers. SINTRAINAGRO acknowledges that, in order to improve workers’ lives, it is essential to increase production in the region.

Meanwhile, rather than a solution, paramilitaries became a big and expensive problem for banana producers. Several of these groups engaged in drug trafficking and crime.

Civil, national and international human rights groups denounced banana producers and the army for supporting the paramilitaries, and the Colombian government was forced to be intolerant of these groups’ way of acting. Changes in the Urabá army command influenced and consequently fought these groups, many of which demobilized, reverting to the amnesty offered by the government in 1991 and 2006.

Overall, the calming of Urabá did not only depend on the demobilization of armed groups or military actions, but also on the banana economic revival, based on a productivity that respects human and labour rights.

It should be noted that the peace process is still ongoing. Although violence has reduced dramatically, the guerrillas are still present. SINTRAINAGRO, which organizes workers from other productive sectors such as sugar cane, palm oil, flowers, etc., faces employers’ intolerance, and the lives of many national and section union managers continue to be threatened.

5. FACTORS ENABLING INDUSTRIAL RELATIONS, BASED ON THE EXPERIENCE IN THE BANANA SECTOR OF URABÁ

5.1. Trust

In November 2010, during a visit of the Working Group 02 Distribution of the Value Chain of the World Banana Forum (WBF) to Ecuador, Guillermo Rivera, union leader and president of SINTRAINAGRO, was invited to give a lecture on the social dialogue experience in Colombia. He explained how it was possible to reach an understanding between workers and producers. From this presentation, the author kept in mind the following expression:

"... When we started the dialogue with producers, there were times in which we came to a standstill... There was no understanding, for the positions of both parties were strong ... But the president of AUGURA said something that made us all think. He said: ‘I don’t know what’s going to happen, but the way we’re acting, all I envision for Urabá is a desert ... What we all need is to TRUST each other...’"
The word trust was one of the keys that opened the door to new industrial relations in Colombia. This word contains many intentions, values and commitments.

Indeed, mature industrial relations are based on the trust of the parties, in order to be able to express their concerns, negotiate considering the interests of their counterparts and promising to be as good as their words.

One of the most common problems in the industrial relations of the banana sector in Latin America is the opposite, distrust between employers and employees while trying to come to an understanding.

Mr. C. Jaramillo, member of the management and Fairtrade officer of the Bananera Urabá SA. Company, said: "We suffered heavy violence. We met the dark side of industrial relations. It was with a fraction of the union that we could agree, and we tried to reach a mutual progress. By means of collective bargaining between AUGURA and SINTRAINAGRO, the company subscribed and dialogue could be resumed. Trust spread all over the company."

Taking trust as an attitude or principle for dialogue is not easy, especially having the conviction to overcome the years of persecution and violence suffered by workers and union leaders. Both sides, producers and workers, went through a deep reflection process.

C. Valencia, manager of Frontera Limitada Farm, stated: "We have gone through several cycles of violence for many years. First, a worker-management conflict with the emergence of the union, and then a dispute among the members of the union themselves. Each sector had their political position and their military support (guerrillas). After the demobilization of the EPL came the unification of the union, but then came the paramilitaries. (...) What resolved the conflict was: training of union leaders, who give good guidance to the grassroots. I emphasize that this high union leadership is mature and since then, we have had no problems... From employers we have had flexibility to comply with the legal issues, to enforce labour rights... Also the government mediated in this matter. No authority is lost with the union if the law is complied with... Many managers were killed in Urabá, because they wanted to do as they pleased. Both producers and workers need to know their rights and duties. As long as that happens, there won't be any problem... "

On this subject, three workers from this farm, M. Moreno, president of the joint body; J. Gonzalez, director of the joint body and the union committee; and J. Rivera, treasurer of the joint body and union committee, expressed the following ideas:

"In labour terms, the relationship is good. Employers care about workers, even when there are difficulties such as lower production and the crisis, but they comply with the agreement."

"When there is a problem, it is presented to the union committee and the company has a three-day period to solve it. If not, we turn to union leaders and ask other unions how to solve this problem."

"Our employer has been like a father. He tries to find out, to investigate... The suggestions of the joint body are taken into account."

"Years ago there was fear. Once you went out to work, you never knew if you were going to go back home. Now the union tells us that they hardly need to come here, because they know there are good industrial relations. Now we are together: union and joint body."
5.2. Compliance with the rights and duties

The second aspect to be highlighted and that is present in successful industrial relations is that trust is based on the compliance with rights and duties of both, workers and the company.

In El Antonjo Farm, Mr. O. Cajello, leader of the SINTRAINAGRO Section in Apartadó, stated: "We organize working sessions with the company on a regular basis and analyze the critical issues, in order to monitor compliance."

Mr. G. Villa, manager of El Cortijo farm, said: "The factors threatening good industrial relations are external, for example, when the company must make economic decisions such as ones involving workers with fixed or limited term contracts. Due to the costs, sometimes it's necessary to make hard decisions, but we try to be fair, to give all the minimum wage. Workers (union committees) participate in this type of decisions, and they make proposals on how to do it."

Even when the company finds it hard to do what it should for its workers, the principle of consultation and to jointly find solutions to meet commitments should not be lost.

5.3. Communication

The establishment of communication channels was not only decided by SINTRAINAGRO and AUGURA. The Colombian state intervened at the appropriate time.

Members of the joint body and union committee of the Bananera Urabá S.A. Company said: "Trust was also achieved thanks to other government institutions and social organization, which began to build that trust based on the creation of communication channels in our community."

The return of the Colombian state to the Urabá region and the peace processes have been strengthened by the presence of international organizations, human rights institutions and NGOs, churches, etc.

Regarding industrial relations and how they were being shaped in Urabá, the intervention of the state is the same expected from the government in all banana producing countries of Latin America. Their intervention in the worker-management conflict is not only enshrined in the labour legislation, but also in the International Convention of the International Labour Organization (ILO).

A state ensuring the compliance with the law would encourage good industrial relations in the work environment of its country.

In many countries, distrust of the labour authorities by the union or the management is an obstacle.

5.4. Information

In order to engage in dialogue, there should be information from both sides. That way, they can know and understand each other and therefore, have more clarity while judging and assessing the situations that arise.
J. Jaramillo, manager/owner of Marta María farm, stated that before, due to the situation in Urabá, he was not aware of how workers lived, or their problems. Now workers can tell their story and, as the owner, he says he is more relieved, because he is now in a better position to judge the situations. He also acknowledges the benefits of workers’ organization:

"Union committees are the first filter to see things. They guide workers and tell them what is right and what is wrong... if the company was right or not... At the end the issues are presented and discussed between the union and the company..."

"When things are clear, there is no problem with the union. They have been very respectful..."

This is confirmed by W. Son Valoye, member of the union committee of that farm: "We have no problems with collective bargaining. We have a businessman working very closely. He warns the committee when there are problems and finds possible solutions in advance..."

A group of workers from La Ucrania farm said: “The relationship with the company is very good. They are always informing us, for instance, about the price situation, the dollar devaluation, and when we are heading to a potential crisis...”

Collective bargaining has established mechanisms for the flow of information and to make and maintain agreements. In Article 8 of this bargaining process on the Right to Information, it is stated that:

Yearly in May, Sintrainagro and Augura shall convene a forum between Sintrainagro and a delegation of producers, to discuss the sector’s situation and problems, as well as the progress of the social commitments undertaken by producers and the union, in association with non-governmental organizations and public authorities, for the comprehensive, social and economic development of Urabá in general, and the banana industry in particular.

Yearly in November, AUGURA and SINTRAINAGRO shall convene a meeting with the national leadership of Sintrainagro and the regional union leaders from Urabá, with the participation of producers’ representatives, in order to assess the state of industrial relations in the farms and the enforcement of collective agreements.

This Article demonstrates the maintenance of social dialogue, the exchange of information and the ways of making decisions.

5.5. Collective Bargaining as the basic instrument of industrial relations

The factors responsible for the development of mature industrial relations in Colombia are comprised in a document or legal instrument: the Collective Bargaining Agreement.

For SINTRAINAGRO's General Secretariat, collective bargaining was between the SINTRAINAGRO and AUGURA unions, making understanding easier. Collective bargaining from farm to farm would be exhausting for the union, but particularly, the sector would have less ability to engage in social dialogue and there would be many conflicts in the companies.

Likewise, the inclusion of a single social development fund for workers allows the
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development of strong workers’ institutions, with the possibility to be managed professionally.

The experience in Colombia is very successful, although SINTRAINAGRO national leaders think there are cases that remain unresolved. For example, there are difficulties with the management of the so-called Health Promotion Entities (EPS, as per its Spanish acronym) and the Professional Risk Managers (ARP). Colombia has a decentralized health system, a form of privatization of these services, which has caused problems with the efficiency and effectiveness of meeting the needs of workers and companies.

There are also farms that are not certified by Fairtrade and report industrial relations problems, mainly related to the fulfillment of duties. Meanwhile, AUGURA points out that these problems are the result of the situation with the dollar price and climatic issues, and is announcing the need for adjustments in terms of collective bargaining.

This worries SINTRAINAGRO, as well as the fact that AUGURA has not yet appointed its new President, following the retirement of Mr. Roberto Hoyos in August 2012, who led this group of producers for 11 years. His leadership was essential for the understanding with the union.

6. FAIRTRADE AND ITS CONTRIBUTION TO INDUSTRIAL RELATIONS

6.1. Fairtrade International benefited from good industrial relations and strengthens them

Fairtrade International began to work in the region of Urabá in 2006. Although the situation was beginning to stabilize, the interviews reveal full recognition of Fairtrade International’s contribution to industrial relations.

J. Jaramillo, manager and owner of Marta María farm, said: “Industrial relations were strengthened by Fairtrade. Workers are different today. That’s what the Premium is for, to get workers to change, and if people change, so does production.”

G. Torres, manager of La Ucrania farm and deputy representative of the company in the joint body, agrees on the benefits of Fairtrade on productivity. "Companies benefit from Fairtrade. We are aware of the crisis and we know a producer cannot provide the benefits of Fairtrade... There are many unmet needs in the region. For example, many workers from here could not send their children to study. Fairtrade is a motivation that benefits the productivity of the company... The point is not to provide houses, but to educate people. That is the great revolution..."

Companies say that Fairtrade and the motivations and hopes that materialize favor their productivity.

Mrs. C. Suazo, assistant of the Marta María farm and its Fairtrade officer, stated: "What I like the most about Fairtrade are the changes in the people. (...) There are feelings and emotions that allow new ways of living.”

The fast increase in farms that applied for the certification and benefits of Fairtrade is closely related to the progress in terms of industrial relations in the banana plantations of Urabá. Collective bargaining between AUGURA and SINTRAINAGRO already existed when Fairtrade International came to Urabá.
Out of the Fairtrade certified companies in Urabá, there are nine companies with less than 50 employees, seven with 50 -100 employees, and seven with more than 100 employees. With the exception of Bananera Urabá S.A., all companies are of small and medium producers. In general, banana production in Colombian depends on a few trading companies. For Fairtrade there are two: UNIBAN and BANAFRUT, responsible for the transportation of the product. Fairtrade bananas become an important product for these trading companies, which benefits and guarantees trade for certified producers.

6.2. Relationship between joint body and union committee

Fairtrade was introduced in the farms by the companies, as expressed by the interviewed workers of La Ucrania farm: "Fairtrade was brought by the companies instead of us, and we are the ones who have benefited the most." At the beginning it was a little confusing; especially union committees were distrustful.

As part of the Latin American Coordinator of Banana and Agroindustry Unions (COLSIBA), SINTRAINAGRO has enquired and made remarks about Fairtrade, like other trade unions in Latin America, particularly on compliance with the Fairtrade requirement for conditions of employment (1.4) and freedom of association and collective bargaining (1.5), where they demand Fairtrade International to be more consistent with the assessment.

Therefore, it was no surprise that SINTRAINAGRO saw Fairtrade International’s arrival to Colombia with reservation at the beginning. In fact, that is the way it was seen by companies and joint bodies as well.

In the interviews, members of the joint body and union committee alleged that there were debates, but also solutions.

Relations between the joint body and the union committee are built up as they go along.

At the beginning, in order to avoid friction, Fairtrade International staff from the Bogotá office suggested that both authorities of the farm (joint body and union committee) worked separately, but the joint body had to keep union committee informed about their activities and should take into account the opinions of the latter.

C. Suazo, assistant of the Martha María farm and Fairtrade officer, explained how they could solve the problem: "When FLO [Fairtrade] arrived there were many needs and the union wondered what they were going to do with all that money. Workers didn't want the union to get involved, which happened in several farms. (...) We decided to work with the union committee and explain to them what was done with the Premium. We trained the union committee and the joint body together on common issues, which contributed to the improvement of the relations. Nowadays, there are members of the union committee who also belong to the joint body... Training makes everything easier..."

W. Son Valoye, member of the union committee of this farm (interviewed separately), explained: "At first we had differences with FLO [Fairtrade]. Once we started to talk with clarity and to get to know each other, things started to change... At the beginning, the members of the union committee could not be members of the joint body. Now I am a member of the union committee and president of the COFRATRA joint body. (...) We joined together and stopped thinking that FLO torpedoed the union and collective bargaining... Now
we feel more support from the grassroots and people see there is a union presence in the joint body. People see more trust... FLO benefits from the union. We have also learned to differentiate things, such as the union from the joint body. We try not to mix things."

In most of the farms visited, members of the union committee are also members of the joint body, which mostly happens in small farms. For example, Marta María farm only has 23 workers. In practical terms it is a small community where leadership is shared among a few people. However, in large farms such as Bananera Urabá Rosalba Zapata, there are also members of the joint body who are members of the union committee, but they also maintain that both authorities are clear on their roles.

Other farms, however, follow Fairtrade International’s recommendation to separate the members of the joint body from the union committee.

J. Hernán, president of the joint body of El Cortijo farm, said: "The relationship between the joint body and the union committee is normal. Members of the latter are not members of the joint body, because FLO suggested not having concentration of power, and owing to the confusion we had at the beginning. We also have to say it was the decision of the joint body. I think it is better this way, and respect is essential. Sometimes we attend the meetings of the union committee and they attend ours and exchange opinions."

Members of the union committee of this farm, A. Capachero, P. Vargas and H. Higuito, expressed their opinions about the relationship with the joint body: "So far so good, and decisions are shared... There were conflicts regarding Fairtrade interpretation and the Premium, and we came to a standstill. It was through training and thanks to SINTRAINAGRO leaders that good interpretation was achieved..."

In general, in the farms visited people are no longer confused, as they were at the beginning of the work with Fairtrade. The aspects that contributed to the good relations between the joint body and union committee were: respect for the roles of the other authority, clarity and transparency while sharing information and the taking into account of the opinions of each other. The methods used were: joint training sessions, meetings, and reports to the grassroots about the investment of the Premium.

Nevertheless, not all cases are so encouraging. Mr. E. Gulfo Romero, president of SINTRAINAGRO Section in the municipality of Chingorogó and therefore, member of the National Leadership of SINTRAINAGRO, arranged a meeting with members of the union committees of two Fairtrade certified farms from a same company: Luisa and Corales.

The case was about a complaint presented by members of these committees to the company, related to several labour and farm conditions issues. Among them was the dismissal of a leader of the union committee. There is a person from the company management who has full control of the joint body and makes disciplinary decisions. Therefore, union leaders relate their differences with the company to the attitude of the manager.

According to Mr. Romero, several members of the union committee and employees (25 in total) failed to attend an all-day Fairtrade training held on a Sunday. They could not attend due to personal reasons, but they think anyway that workers’ breaks should not be occupied for so long. The person referred to, who chairs the joint body and is part of the company management, decided to punish them, depriving them of the access to the scholarships fund for their children, for a period of six months. They think it's unfair to affect their families directly.
"Fairtrade is used to punish workers who do not work the Fairtrade hours."

In this case it is obvious that the relations between joint body and union committee are damaged. The recommendations were to submit the case to Fairtrade International representatives in Colombia through their organization, and to try to find a better understanding.

When there are problems between the union committee and the company, the way events develop could affect somehow the joint body or Fairtrade in general.

On November 9, 2012, during a work visit paid by Mr. Gilbert Bermudez, deputy coordinator of COLSIBA, a meeting was arranged among several members of the joint body and SINTRAINAGRO national leaders, with the aim of exchanging views on Fairtrade. In general, they discussed issues that are mentioned here. It is important to note that the union is interested in closely monitoring the development of Fairtrade and interacting with the joint body. We highlight the third recommendation from the conclusions of the meeting.

"It is mutually necessary that the union and the union committee as a whole have greater knowledge of Fairtrade Standards and the joint bodies’ statutes, and that members of the joint body have a greater understanding of the union’s proposals and struggles for workers and communities."

6.3. Use of the Premium

The purpose of this study is not to analyze the use of the Fairtrade Premium, but how it contributes to industrial relations.

Workers from the Frontera Limitada farm said in the interview: "Training made people understand. Fairtrade has taught us that we must have ‘quality of life’ and contributes to a better understanding between our employer and us."

Obviously at first, finding a way to manage a significant fund caused some controversy and confusion. In some cases they tried to use it as a supplementary wage. Fairtrade International’s philosophy does not enter the farms immediately. Experience indicates that initial support is required.

Housing, for example, influences quality of life and is, in fact, the area where the Premium is mostly invested, either home improvements or purchases. When the demand is largely satisfied, new areas for investment must be found.

The second area is education, which includes a wide range of aspects that go from educational materials to scholarships for college and technical studies for workers’ children. With the salary earned at the banana plantations, it would be difficult for workers to otherwise afford, but this area of investment can support.

In the search for new areas for investment, it is evident that the management of the Premium in the Bananera Urabá has involved the development of a very professional administrative institution that seeks to develop efficient use of resources. During the interview Bananera Urabá presented a Civic and Cultural Center project for Urabá. To do this, they explained the joint body had to develop some skills to influence the community
and the municipality of Apartadó, as they expect them to donate some land and contribute to the maintenance of the Center.

However, in the other farms, the Premium funds would not be enough to develop major projects. The Fairtrade International office in Bogotá encouraged them to form a FUNTRAJUSTO foundation among the twenty-four joint bodies, the purpose of which is to develop projects with greater impact on communities. Up to now, they have thought of building a residential home for the elderly for former banana workers. But this is a new working stage with Fairtrade. Some interviewees think other skills are required for these projects, but it is also necessary to get joint bodies to agree.

The difference is that some joint bodies prefer to invest in their nearby communities, where workers live, because in these communities there are few job opportunities and micro-enterprise projects could be implemented.

Thus, in a while, a new investment cycle of the Fairtrade Premium could be realized, with a more direct impact on the community. This also implies capacity building of the joint bodies. However, the members of the joint body are elected in regular meetings, so they change. This is where we can see the importance of institutions like FUNTRAJUSTO, with a more stable development regarding administration and management capacity. This is an ongoing subject.

### 7. CONCLUSIONS

1. The main conclusion of this study is that: **In order to develop mature industrial relations, it’s not necessary to go through the same situation of the Colombian banana sector.**

   Indeed, if we analyze the five factors that cause mature industrial relations in the Urabá banana farms (trust between the union and the employer, compliance with the rights and duties, communication, information and collective bargaining as an instrument for labour development), we note that they can be implemented in any country or productive region in Latin America.

2. Fairtrade Standards can be met. **It depends on the parties’ will.**

   A worker who is also a member of the joint body and the Worker’s Committee stated: "I don’t think Fairtrade is possible without a union... When there is an employer who does not want a union, it means he doesn’t care if things are done right..."

   It is difficult to achieve good industrial relations without workers’ autonomy to raise their concerns. Collective bargaining is essential to meet the Fairtrade Standards, since it defines how industrial relations will be in a certain company or workplace.

3. **Industrial relations benefit productivity and Fairtrade strengthens them.**

   Farm owners and managers and workers agree that the Fairtrade Premium is a strong motivation to meet production goals. The current concerns are the crisis generated by the dollar devaluation and the climatic issues. Below are workers’ opinions in six of the farms visited:
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El Cortijo farm: "I worry about the company wanting to give up Fairtrade. They should take into account that many of us have our homes thanks to Fairtrade. It worries me that they might stop producing for Fairtrade... We are foreseeing an uncertain future."

El Antojo Farm: "We would like Fairtrade to interfere in this crisis, if possible, to raise the price of the product, as labour is more expensive in Fairtrade than in conventional bananas..."

Workers are aware that producers are the ones who decide whether to sell through the Fairtrade market or not. Industrial relations would not necessarily change if the farm stops producing for Fairtrade, because the collective agreement is what regulates industrial relations. However, we cannot rule out that workers’ motivation would be affected.

4. For a successful management of the Premium, joint bodies should consider close and reliable relations with trade unions.

As discussed in the study, at the beginning there were suspicions and mistrust between the joint body and the union committee. Identical situations may be faced by other regions or countries, but it would be convenient to use the Colombian experience as a way of ironing out the differences between joint bodies and trade unions. In summary, we have mentioned: respect for the other authority’s roles, clarity and transparency while sharing information, and the taking into account of the opinions of each other. It is therefore recommended to hold joint training sessions, participatory meetings, and to make transparent reports on the Premium investment.

8. RECOMMENDATIONS

The recommendations refer to some reflections on the work carried out with the interviews in Urabá.

1. While analyzing the case presented by the SINTRAINAGRO Section in the Chingorogó Municipality, we have to think about the degree of leadership or influence of management representatives in the joint bodies. Indeed, there is a principle of equality in the participation of workers and company representatives within the joint body. Though company representatives tend to be more skilled in planning and management matters, for more transparency in the development of the joint body, it is more convenient that the leadership is exercised by workers’ representatives. This would be possible by strengthening their leadership skills and knowledge on project management and management in general.

2. Fairtrade’s success in Urabá can foster the demand from other companies and farms. Although there is currently a problem with the Fairtrade prices and the dollar devaluation, both situations can be overcome. Once this happens, more farms would want to be certified by Fairtrade. At the meeting with Chingorogó Section, its leader mentioned the case of 60 small producers’ farms in Chingorogó and Carepa that are being left out by the trading companies, so they are at risk of going bankrupt and losing the farms. The leader said: “Couldn’t these farms be part of the Fairtrade project?” Apparently they have been considering this. Several groups from different locations, both consuming and producing countries, think Fairtrade should only be for small producers. Fairtrade could be questioned, because, in Urabá, not all farms are of small producers. In addition, according to several people who were interviewed, powerful groups with influence on the trading
companies intend to accumulate lands in the region. In this context, Fairtrade International could be seen as an option for small producers in this region too, but there is also the issue of demand and how much could be traded from Colombia.

3. At least in the farms visited, there are no problems with the management of the Fairtrade Premium. The issue lies on defining its future investment. Some members of the joint body indicated that Fairtrade International has told them it was necessary to look for projects with greater impact on the community, and to that aim, a development foundation was created. When the issue was discussed during the interviews, the idea of large projects was, either not clear enough, or there was no conviction yet. The counter response was that, for some members of the joint bodies and leaders of the union committees, future investments should be made in nearby communities, where workers live, especially in something that generates jobs. It is likely that they think “large projects” - such as the residential home for the elderly - refer to projects that would be located in the urban centers of the municipalities. It may be appropriate to address the issue in more detail and to assess the development of this idea.

4. Producers’ and workers’ concerns regarding the dollar situation cannot be avoided. The author of this study considers that Fairtrade International must be doing something right now, but, at least when the visit to Urabá was conducted in January 2013, there were no news about it. A production crisis in Urabá does not only affect the economy and the society of the region, but also the efforts for peace, which remains an issue. During the days of the visit, a guerrilla group burned a bus coming from Medellín to Urabá (Saturday, January 26, 2013) and next Thursday (January 31) a motor bomb was deactivated in front of the headquarters of the XVI Brigade of the Colombian Army, only six kilometers away from Apartadó downtown.

5. Finally – though it was already said - Fairtrade International should share and communicate about the Colombian experience, as an example of mature industrial relations in the continent. All that has been accomplished and the way it was achieved could be learnt from and built upon in other places, and in other hired labour organizations that sell through Fairtrade.
9. EPILOGUE

I will finish as I started, with an anecdote.

I had already been to Urabá in 2001. Back then, you could only arrive there by air, and the airport was virtually a shed that could well serve to store sacks of grain. On the way from Carepa (where the airport is) to Apartadó there were just banana plantations and waste lands. Finding a fairly good hotel was not easy. There was a little trade here and there, nothing special. The place was a bit sad.

Returning in 2013 I was astonished. There is a relatively new airport (built three years ago), big and with all the necessary features. On the outskirts to Apartadó there are new commercial buildings, a private two-towered five-story clinic about to be ready, an industrial park... In the city you find many businesses, with trade in ornamental goods, good hotels, etc. It is almost a different city from the one I visited in 2001. There are also twelve professional and university training centers, both private and public; a supermarket, as in any other city; factories... everything!

From this urban and economic development, it can be understood why workers are so excited about Fairtrade, so that their children have a technical or professional training. That wish is encouraged by that urban development that is taking place in the region, in which they see a future. It is wonderful that Fairtrade provides them with that opportunity, a dream that can come true.

VICTOR HUGO QUESADA ARCE
San José, Costa Rica, March 2013