

Bitter



Bananas

SUMMARY

**EXPLOITATIVE WORKING CONDITIONS IN ECUADOR
AND THE VALUE CHAIN OF GERMAN SUPERMARKETS**



Oxfam
Deutschland



Photo Oxfam Germany

Bananas are the Germans' second favourite fruit. Every third banana on German supermarket shelves comes from Ecuador. The report "Bitter Bananas" examines the impact of the large-scale market power of Germany's five major supermarket chains — Edeka, Rewe, Aldi, Schwarzgruppe (Kaufland, Lidl), Metro — on the working conditions in Ecuador's banana plantations — an issue that was explored by Oxfam Germany's study "Last Stop — Supermarket: The Scoop on Tropical Fruit" published in 2008. As the findings of "Bitter Bananas" reveal, the situation for Ecuadorian plantation workers has not significantly improved since then, despite the German supermarkets' public

commitment towards Corporate Social Responsibility (CSR).

The report's findings are based on a survey of plantation workers, carried out by the independent Ecuadorian Research Institute for Agricultural Issues SIPAE (Sistema de Investigación de la Problemática Agraria de Ecuador) in 2010/2011. 117 respondents working on plantations owned either by Dole, Noboa, Reybanpac or by one of their suppliers, took part in the research. All of the five largest supermarket chains offer Ecuadorian bananas supplied by at least one of these exporters.

KEY FINDINGS ON WORKING CONDITIONS

Since the publication of Oxfam's last report on bananas in 2008, wages for plantation workers in Ecuador have increased slightly. However, 83 per cent of the respondents are still unable to offer their families a decent life, because they receive wages of less than US\$ 544 per month, which has been defined as the national poverty line on the household level. According to the interviewees, the average wage of a worker employed by Dole, Reybanpac or Noboa does not even exceed US\$ 237 per month. Additionally, workers are often not getting their social or vocational benefits as prescribed by national law, and unpaid overtime remains a common practice on plantations.

Their work is not only undervalued in terms of pay, plantation workers are also being hindered from joining trade unions. The majority of the respondents has already heard of suspensions of staff due to being a member of a labour union. At supplier plantations of Noboa, 50 per cent of the interviewed workers said they had lost their job at least once because of being absent from work due to illness, refusing to work overtime or being a member of a labour union. Plantation owners continue to oppress the formation of labour unions by dismissing employees and even using physical violence. This was the case just recently when the leader of a newly formed labour union of one of the biggest Ecuadorian banana producers, Noboa, was fired.

Health and safety issues remain a cause of great concern. Pesticides are still distributed to the fields via aircraft, causing health risks for a high percentage of

plantation workers who continue to lack appropriate protective clothing. At Noboa's and Reybanpac's plantations, 95 per cent of the interviewed workers have experienced aerial spraying while they were working and without having been warned before. The most frequently used pesticides are Calixin, Bravo, Mancozeb and Tilt. In Germany, all of these are classified as being hazardous to health and are suspected of causing cancer. The massive use of pesticides is not only dangerous for the workers themselves but also for the residents living near the plantations. They complain about polluted water causing illness or even the loss of cattle. The most common detriments for health are skin problems and long term symptoms of poisoning such as weariness and motor and nervous dysfunctions.

Significant progress has only been made in reducing child labour and the supply of plantation workers with social security, due to the implementation of national programmes by the Ecuadorian government. Child labour has almost disappeared from the major producers' plantations and the vast majority of workers is now covered by social security. However, most of the exported bananas are produced on suppliers' plantations which generally can be considered to maintain worse conditions than the ones owned by Dole, Noboa or Reybanpac.

KEY FINDINGS ON THE ROLE OF GERMAN SUPERMARKETS

Over the last three years, market concentration in the German food retail market has continued to increase. While in 2008, six companies shared 90 per cent of the market, their number has shrunk to five, resulting in an even higher buying power for them — Aldi, Schwarzgruppe (Lidl, Kaufland), Edeka, Rewe and Metro. The impact of the battle for market shares can be felt all the way down the supply chain, from German fruit wholesalers who suffer from the supermarkets' unfair buying practices to the plantation workers in Ecuador who suffer from wages too low to feed a family. In order to learn more about the issue of abusive buying power and to be able to adequately respond to the resulting problems, the German cartel

office has started a sector inquiry of the German food retail market which looks to be completed in early 2013.

While German supermarkets publicly commit themselves to the idea of CSR and existing private standards such as BSCI and SA-8000, they have done nothing to effectively change the conditions of those who form the basis of their supply chains. Since benefits from the banana trade are not spread equally within the supply chain, supermarkets are among those responsible for the miserable conditions on Ecuador's plantations. The existing standards do not seem to be an appropriate tool to promote change.





Photo Eduardo Abraços Bluhm | 2010 - www.eduardoabracos.com

CONCLUSIONS

In summary, based on this study's findings it becomes obvious that there is a significant discrepancy between the ambitions of the five largest German retailers and the reality. Despite social self-commitment and noble promises, working conditions for plantation workers are still devastating. Therefore, supermarket chains must not only change their social obligations but above all, change their buying behaviour towards the members of the whole supply chain. At the same time, governments are asked to implement compulsory minimum social standards both in the producing countries and at European level.

COMPANIES

... to change their way of using buying power in order to enable banana producers to improve and secure social and environmental standards, especially adequate wages.

... to develop sector-wide initiatives that commit themselves to specific social and environmental standards, developed in cooperation with labour unions and civil society in a participatory manner.

In detail, Oxfam calls on the stakeholders involved to make the following changes in order to improve the situation of banana plantation workers in Ecuador:

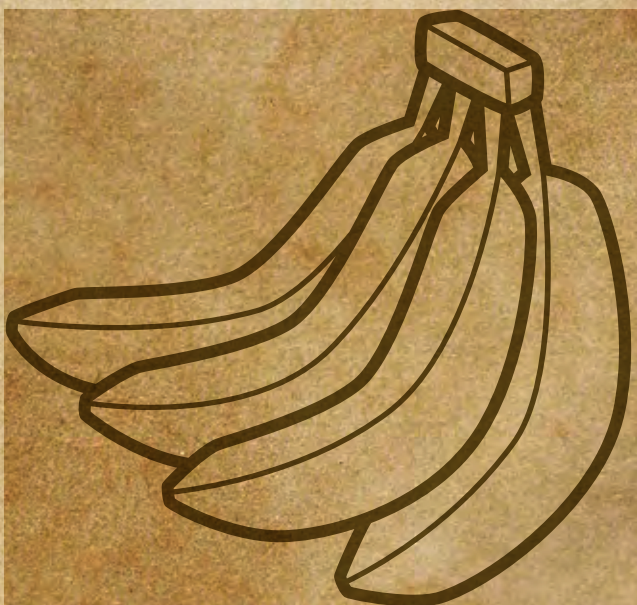
THE GERMAN GOVERNMENT

... to ensure that German companies comply with human and labour rights within their own enterprise as well as in their supply chains and to take appropriate measures to prevent unfair buying practices.

... to promote the introduction of a disclosure requirement for social and environmental ways of production in national and EU processes.

CONSUMERS

... to demand that companies comply with humane working conditions concerning their own employees as well as those of their suppliers.



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The full study (in German) is available for download
at www.oxfam.de/publikationen/bittere-bananen

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