

Stop Killer Coke!

Death squads have assassinated eight trade union leaders in Coca-Cola bottling plants in Colombia. The Stop Killer Coke campaign holds the beverage giant responsible.

BY MADELEINE BARAN, *Dollars and Sense*

Issue #250, November/December 2003

On the morning of December 5, 1996, two members of a paramilitary gang drove a motorcycle to the Carepa Coca-Cola bottling plant in northern Colombia. They fired 10 shots at worker and union activist Isidro Segundo Gil, killing him. Luis Adolfo Cardona, a fellow worker, witnessed the assassination. "I was working and I heard the gun shots and then I saw Isidro Gil falling," he said in a recent interview. "I ran, but when I got there Isidro was already dead."

A few hours later, paramilitary officials detained Cardona, but he escaped, fleeing to the police office, where he received protection. Around midnight that night, the paramilitaries looted the local union office and set it on fire. "There was nothing left. Only the walls," said Cardona. The paramilitary group returned to the plant the next week, lined up the 60 unionized workers, and ordered them to sign a prepared letter of resignation from the union. Everyone did. Two months later, all the workers—including those who had never belonged to the union—were fired.

Gil, 27, had worked at the plant for eight years. His wife, Alcira Gil, protested her husband's killing and demanded reparations from Coca-Cola. She was killed by paramilitaries in 2000, leaving their two daughters orphaned. A Colombian judge later dropped the charges against Gil's alleged killers.

Paramilitaries, violent right-wing forces composed of professional soldiers and common thugs, maintain bases at several Coca-Cola bottling facilities in Colombia, allegedly to protect the bottlers from left-wing militants who might target the plants as symbols of globalization.

Activists say at least eight union activists have been killed by paramilitaries at Colombian Coca-Cola facilities since 1989. And plaintiffs in a recent series of lawsuits hold Coca-Cola and two of its bottlers responsible for the violence, alleging "systematic intimidation, kidnapping, detention, and murder of trade unionists in Colombia, South America at the hands of paramilitaries working as agents of corporations doing business in that country."

The murders of Coke bottling workers are part of a larger pattern of antiunion violence in Colombia. Since 1986, over 3,800 trade unionists have been murdered in the country, making it the most dangerous place to organize in the world. Three out of every five people killed worldwide for trade union activities are from Colombia.

Suing Coke and its Bottlers

The Washington, D.C.-based advocacy organization International Labor Rights Fund (ILRF) and the United Steel Workers of America filed four lawsuits in Federal District Court in July 2001 on behalf of Sinaltrainal (a union representing food and beverage workers in Colombia), five individuals who have been tortured or unlawfully detained for union activities, and the estate of murdered union activist Isidro Gil. The plaintiffs contend Coca-Cola bottlers "contracted with or otherwise directed paramilitary security forces that utilized extreme violence and murdered, tortured, unlawfully detained, or otherwise silenced trade union leaders."

In addition to demanding that Coca-Cola take responsibility for the murder of Colombian union activists, the plaintiffs are asking for compensatory and punitive damages, which by some estimates could range from \$50 million to \$6 billion.

Coca-Cola's legal defense "is not that the murder and terrorism of trade unionists did not occur," according to an ILRF press release. The company argues that it cannot be held liable in a U.S. federal court for events outside the United States. "Coca-Cola also argues that it does not 'own,' and therefore does not control, the bottling plants in Colombia."

In late March, a judge dismissed Coca-Cola from the lawsuits—on grounds that the firm does not have control over the labor practices of its bottlers—but allowed the case against the bottlers to go forward. A request for an appeal is pending.

According to Daniel Kovalik, assistant general counsel for the United Steelworkers of America and co-counsel for the plaintiffs: "In the short run, [the court decision] means that we can't proceed against Coke, but it doesn't necessarily mean that in the long run. I am absolutely confident that we'll win the appeal."

Kovalik maintains that Coca-Cola is liable for its bottlers' actions. For one thing, the 20 Colombia bottlers are deeply entwined in Coke's core economic activities. Coca-Cola provides syrup to the bottlers, who mix, bottle, package, and ship the drinks to wholesalers and retailers throughout Colombia. The bottlers are integral to the beverage giant's operations in the country.

Moreover, Coca-Cola and its bottlers have deep financial links. In May, Coca-Cola FEMSA, a bottling company, acquired Pan American Beverages, Latin America's largest bottler and a defendant in the case. In the year before it was acquired, sales of Coca-Cola represented 89% of Pan American's \$2.35 billion net sales. The acquisition made Mexico-based Coca-Cola FEMSA the largest Coca-Cola bottler in Latin America. The Coca-Cola Company owns a 30% equity stake in Coca-Cola FEMSA, according to the bottling company, and several of its executives also work for Coke.

The plaintiffs are now considering whether to add Coca-Cola FEMSA as a defendant in the lawsuits. If they do, Coca-Cola will be put in the uncomfortable position of trying to prove that Coca-Cola FEMSA and the Coca-Cola Company—despite their shared name, shared executives, and Coke's part-ownership of FEMSA—are completely independent from one another.

Coca-Cola did not return calls for comment, but has stated in the past that Pan American Beverages was an independent company. More recently, Coca-Cola has denied allegations that its bottlers tolerate or assist in acts of violence against union activists. In a statement released in July, Coca-Cola said the allegations are "nothing more than a shameless effort to generate publicity using the name of our Company, its trademark and brands."

Kovalik argues that the corporation's communications with shareholders contradict these public statements and suggest that the firm in fact can, and should, investigate and put a stop to the killings. He plans to submit Coca-Cola documents as legal evidence, including a letter to a shareholder that reads: "We require that everyone within the Coca-Cola system abide by the laws and regulations of the countries in which they do business. We demand integrity and honesty in business at the Coca-Cola Company...."

"They can't be able to profit from these bottlers and say that they don't have control over these situations," says Kovalik.

Taking Down a Corporate Giant

The Stop Killer Coke campaign may prove to be the biggest test yet of the corporate campaign model pioneered by labor consultant Ray Rogers (see "Ray Rogers' Corporate Campaign Strategy"). As the public face of the ILRF lawsuits, the Stop Killer Coke campaign aims to put public pressure on Coca-Cola to acknowledge its role in the killings and to persuade the company to stop collaborating with violent paramilitary organizations.

It's one part of a massive coalition gearing up for a multi-front attack on Coca-Cola. The anti-Coke effort, launched by the lawsuits against Coca-Cola and its bottlers, has grown to include the Stop Killer Coke campaign, consumer and student groups, and labor organizations like the Teamsters and the AFL-CIO. These various groups share the same primary goal: to damage the soft-drink giant's reputation in order to force the company to acknowledge its role in the Colombian killings. With the launch of the Stop Killer Coke campaign this summer, the movement is picking up momentum.

Rogers plans to expand the campaign far beyond the plaintiffs' allegations to encompass "at least a dozen issues" including the lack of health care for Coca-Cola workers in Africa; the corporation's water use in India, which causes groundwater destruction; and more. He has spent the last several months researching Coke's corporate structure and intricate financial dealings.

Rogers often refers to his strategic style as "divide and conquer" because it aims to isolate companies from investors, creditors, politicians, and consumers. In the most successful corporate campaigns, the target corporation's relationship with the business world breaks down, as other companies, banks, and executives decide that the benefits of the business relationship are not worth the risk of being the target of a high-profile campaign. Eventually, the company, isolated and weak, caves in to the campaign's demands in order to end the media blitz and restore its position in the business world.

"A corporation is really nothing more than a coalition of individual and institutional economic and political interests, some more vital and vulnerable than others, that can be challenged and attacked, divided and conquered," Rogers said. "I know enough now to know exactly where the Achilles heel of Coca-Cola is. I'm so confident about where we're going with this thing."

That Achilles heel appears to be Coke's relationship with SunTrust Bank, its main creditor. Many of Coca-Cola's top shareholders own significant amounts of SunTrust stock, and their boards overlap—three current or former Coke CEOs sit on SunTrust's board of directors and two current or former SunTrust CEOs sit on Coke's board. "In almost 30 years of studying corporate structures, I have never seen a more intimate or incestuous relationship," said Rogers.

Rogers plans to expose the relations between SunTrust and Coca-Cola, then use information on Coke's human rights and environmental practices to drive SunTrust into a financial and public relations disaster. If the plan works, investors will lose confidence in SunTrust; key executives will resign rather than face negative media attention; and unions, progressive groups, and consumers will close their accounts. Given the deep ties between the two companies, whatever hurts SunTrust will hurt Coke. Backed into such a position, Coca-Cola would be forced to acknowledge and end its ties to paramilitaries in order to stabilize its main creditor and regain investor and consumer confidence.

The campaign faces an uphill battle. Coca-Cola has virtually unlimited resources to fight lawsuits and conduct its own media blitz. Also, Coca-Cola, like most major companies, now has years of experience fighting high-profile consumer campaigns. The beverage giant has a truly global reach, producing over 300 brands in more than 200 countries, with more than 70% of its income coming from outside the United States. If the campaign hopes to damage Coca-Cola financially, it will have to attract international support.

Despite these serious obstacles, Rogers is optimistic. "We're going to move very quickly on this thing," he said. "I think they're going to find themselves involved in something that they're going to find a total nightmare." Terry Collingsworth, executive director of the ILRF, is also confident. "Ray's like the classic pit bull," he said. "Once he bites into you, he won't let go. Ray's not going to walk away from this until he's won."

The battle is already heating up, with activists in Latin America, Turkey, Ireland, and Australia leading anti-Coke campaigns with Stop Killer Coke materials. Student organizations like United Students Against Sweatshops are starting campaigns to ban Coke from campuses. University College Dublin, Ireland's

largest university, voted recently to remove all Coca-Cola products from the campus. Meanwhile, Bard College in New York has decided against renewing Coke's contract with the school when it expires in May. At Carnegie Mellon in Pittsburgh, students staged a "Coke dump," spilling soda into the streets to call attention to the plight of Colombian union activists. Union involvement is also growing. United Auto Workers Local 22 in Detroit, recently ordered 4,000 "Coke Float" flyers, which explain the campaign. The union will hand them out to workers as they leave their plant.

In the meantime, violence against union activists in Colombia continues. On September 10, 2003, David Jose Carranza Calle, the 15-year-old son of Sinaltrainal's national director, was kidnapped by paramilitaries. According to Sinaltrainal, four masked men forced the younger Carranza into a truck and tortured him, asking for the whereabouts of his father. At the same time, his father, Limberto Carranza, received a phone call from an unidentified individual who said, "Unionist son of a bitch, we are going to break you. And if you won't break, we will attack your home." The kidnapers freed Carranza Calle over three hours later. But unionists in Colombian bottling plants, including Coca-Cola facilities, are far from safe.

For more information on the Coca-Cola campaign, go to <www.killercoke.org>.

Madeleine Baran is a freelance writer and a graduate student at New York University's Graduate School of Journalism.

Ray Rogers' Corporate Campaign Strategy

In the Corporate Campaign, Inc., offices near Union Square in Manhattan, Ray Rogers sits at a large table covered in binders detailing the investors, corporate structure, and finances of the Coca-Cola Company. Rogers, 59, is the founder of the progressive labor consulting company Corporate Campaign, Inc., and a veteran of dozens of battles against corporations like Hormel, Con Edison, and General Electric. His trademark strategy, the "corporate campaign," involves identifying and targeting a company's sources of power from as many angles as possible.

"If I'm representing a union and they're in a contract fight or some sort of organizing drive," Rogers said, "I'm going to find a whole series of sensitive issues as they relate to the company. What's their record on the environment? Do they have a bank tied into them? What's the record of the bank on redlining? How do they treat poor communities? What's the safety and health record of the company? Where are they lending their money? What right-wing groups are they tied into?"

Rogers famously used these tactics in 1980 to force the anti-union J.P. Stevens textile company to sign a collective bargaining agreement with the Amalgamated Clothing and Textile Workers Union. In that campaign, Rogers first publicized the textile company's exploitative workplace practices, then exposed its connections with other major corporations—most importantly, the Metropolitan Life Insurance Company. Top MetLife corporate officers who had business dealings with J.P. Stevens were forced to resign, and investor confidence in J.P. Stevens plummeted. Once the textile company realized the extent to which the campaign was hurting both its reputation and its profits, it agreed to union demands. The victory led many other unions and progressive groups to incorporate Rogers' tactics into their own struggles.

"You can't confront powerful institutions and expect to gain any meaningful concessions unless you're backed by significant force and power yourself," Rogers said. "The corporate campaign is really a mechanism to confront power with power."

Some dismiss Rogers' style as too uncompromising and say his tactics force him into polarizing positions — either total victory or total defeat, a style of campaigning that leaves no room for the compromises that are sometimes necessary in union battles. They say Rogers' brash tactics harm unions at the bargaining table. Former United Auto Workers organizer Jerry Tucker adds, "Ray doesn't have a lot of sense of the internal workings of unions."

Rogers acknowledges that collective bargaining is not his specialty, but states, "We go in there and back up the union leadership with publicity and resources. Bargaining does not go on when the union has no power behind it."

Rogers' defenders argue that opposition to the corporate campaign model stems from union leaders' rigid resistance to nontraditional strategies. Referring to Rogers' critics within the labor movement, labor historian Peter Rachleff said, "[they] hate people who are independent, who they can't control, who can walk out the door and get another job. They believe in organization from the top down."

Many have nothing but praise for Rogers' bold tactics. "Ray is a corporate-buster without peer," says Jim Guyette, who worked with Rogers during the 1985-1986 Hormel strike in Austin, Minn. Labor journalist Tom Robbins agrees. "He has a formula down," he says. Rogers sees that "there's a connection between the shareholders and the corporate responsibility to workers."

And according to Rogers, given the dominance of corporations worldwide, the need to analyze corporate structures and connections and to deploy that analysis in the growing battle against corporate power is more urgent than ever.

Issue #250, November/December 2003

Reprinted with permission from *Dollars & Sense*, the magazine of economic justice <www.dollarsandsense.org>. To use or reprint this article, contact scharf@dollarsandsense.org.