



CORPORATIONS FEATURE MAY 1, 2006 ISSUE

The Case Against Coke

A global, grassroots campaign against Coca-Cola is using product bans and lawsuits to shed light on the corporate giant's exploitation and brutality in Colombia, India and elsewhere.

By *Michael Blanding*

APRIL 13, 2006

The ballroom at the Hotel du Pont in Wilmington, Delaware, is the picture of opulence. Paintings of Greek gods and goddesses peer down from the walls, lit by two crystal chandeliers the size of Mini Coopers. It's here in April that the Coca-Cola Company will hold its stockholders' meeting, an annual exercise designed to boost the confidence of investors. If the meeting is anything like last year's, however, it may do the opposite.

As stockholders filed into the room in April 2005, news hadn't been good for Coke, which has steadily lost market share to rivals. Investors were eager for reassurance from CEO Neville Isdell, a patrician Irishman who had recently assumed the top job. Few in the room, however, were prepared for what happened next. As Isdell stood at the podium, two long lines formed at the microphones. When he opened the floor, the first to speak was Ray Rogers, a

veteran union organizer and head of the Campaign to Stop Killer Coke. “I want to know what [Coke is] going to do to regain the trust and credibility in order to stop the growing movement worldwide...banning Coke products,” boomed the 62-year-old.

That was just the beginning of a ninety-minute slugfest that the *Financial Times* later said “felt more like a student protest rally” than a stockholders’ meeting. One after another, students, labor activists and environmentalists blasted Coke’s international human rights record. Many focused on Colombia, where Coke has been accused of conspiring with paramilitary death squads to torture and kill union activists. Others highlighted India, where Coke has allegedly polluted and depleted water supplies. Still others called the company to task for causing obesity through aggressive marketing to children.

In the past two years the Coke campaign has grown into the largest anticorporate movement since the campaign against Nike for sweatshop abuses. Around the world, dozens of unions and more than twenty universities have banned Coke from their facilities, while activists have dogged the company from World Cup events in London to the Winter Olympics in Torino. More than just the re-emergence of the corporate boycott, however, the fight against Coke is a leap forward in international cooperation. Coke, with its red-and-white swoosh recognizable everywhere from Beijing to Baghdad, is perhaps the quintessential symbol of the US-dominated global economy. The fight to hold it accountable has, in turn, broadly connected issues across continents to become a

truly globalized grassroots movement.

Coke shrugs off the protests as coming from a “small segment of the student population,” says Ed Potter, the company’s director of global labor relations. “What I see are largely well-meaning attempts to put a spotlight on some reprehensible things—but which are unrelated to our workplaces.” Nevertheless, Coke has fought back with ads on TV and in student newspapers, part of a mammoth advertising budget that has increased 30 percent in the past two years, to a staggering \$2.4 billion. However, as evidence against the company mounts ahead of this year’s annual stockholders’ meeting, so does the pressure for Coke to address its growing international image of exploitation and brutality.

On the morning of December 5, 1996, union leader Isidro Segundo Gil was standing at the gate of the Coca-Cola bottling plant in Carepa, Colombia, when two paramilitaries drove up on a motorcycle and shot him dead. A week later, unionists say, paramilitaries lined up all the workers inside the plant and forced them to sign a letter resigning from the beverage union SINALTRAINAL, spelling the end of the union at the plant.

Violence against union members is a fact of life in Colombia, where nearly 4,000 have been killed by paramilitaries in the past two decades. But Gil’s murder was different, say his union brothers; two months earlier, they observed the plant manager meeting with a paramilitary commander in the company cafeteria. And just a week before he was killed Gil had been negotiating

with the company over a new contract. Workers see these events as an example of the collusion of bottling executives with the paramilitaries. “From the beginning, Coca-Cola took a stand to not only eliminate the union but to destroy its workers,” said SINALTRAINAL president Javier Correa in a recent speaking appearance in the United States.

Nor was Gil’s murder a unique occurrence, says Correa. In all, eight union members and a friendly plant manager were killed between 1989 and 2002. Even today, union leaders routinely receive death threats and attempts on their lives. In 2003 paramilitaries kidnapped and tortured the 15-year-old son of one union leader and killed the brother-in-law of SINALTRAINAL’s vice president. This past January, says Correa, managers at the Coca-Cola plant in Bogotá attempted to get workers to sign a statement saying Coke did not violate human rights; a week later the leader of the union received a death threat against himself and his family.

“Coke has a long history of being a virulently antiunion company,” says Lesley Gill, an anthropology professor at American University who has twice been to Colombia to document the violence. “It has been calculated and targeted, and it usually takes place during periods of contract negotiations.” A 2004 investigation directed by New York City Councilman Hiram Monserrate documented 179 “major human rights violations” against Coke workers, along with numerous allegations that “paramilitary violence against workers was done with the knowledge of and likely under the direction of company

managers.” The violence has taken a toll on the union. In the past decade, SINALTRAINAL’s Coke membership has fallen from about 1,400 to less than 400.

Coca-Cola representatives deny involvement of the company or its bottling partners, contending that the murders are a byproduct of the country’s civil war. In response, the company touts the security measures it offers union leaders, including loans for home security systems and reassignment for those in danger.

Furthermore, Coke points out that it has been exonerated in several cases in Colombian courts. However, charging those courts as ineffective—only five paramilitaries have been found guilty of murder, despite 4,000 killings—SINALTRAINAL reached out in 2001 to the International Labor Rights Fund, a Washington-based solidarity organization. Using a US law called the Alien Tort Claims Act, the ILRF and the United Steelworkers filed suit against Coke and its bottlers in Miami later that year. In 2003 a judge ruled that Coca-Cola couldn’t be held responsible for the actions of its bottlers and dropped it from the case, even while allowing the case against the bottlers to go forward. ILRF lawyer Terry Collingsworth finds that decision preposterous, noting that Coke has ownership shares in its Colombian bottlers and highly detailed bottling agreements. “I’m 100 percent sure that if Coca-Cola in Atlanta ordered them to change their uniform color from red to blue, they would do it,” says Collingsworth. “They could stop these activities in a minute.”

While the ILRF has appealed the decision, procedural

rules require it to wait until the case against the bottlers is over before the case against Coke can be taken up again—a process that could take years. “We needed to figure out a way that Coke sees delay as bad,” says Collingsworth. In 2003 SINALTRAINAL put out a call for an international boycott of Coke products. At the same time, the ILRF contacted Ray Rogers, head of Corporate Campaign, Inc., an organization that consults with unions to win contracts through unorthodox methods. Over the past three decades, Rogers has forced concessions from a dozen companies—including American Airlines, Campbell’s Soup and New York’s Metropolitan Transportation Authority—not through strikes or negotiations but through an aggressive strategy of publicly embarrassing anyone associated with his targets.

Rogers immediately saw Coke’s weakness: its brand. “They are right at the top of the worst companies in the world, and yet they’ve created an image like they are American pie,” he says. “When people think of Coca-Cola, they should think about great hardship and despair for people and communities around the world.” From the beginning, Rogers appropriated Coke’s trademark red script to make the Killer Coke logo, and tweaked its advertising campaign with slogans like “The Drink That Represses” and “Murder—It’s the Real Thing.” He made a dramatic first appearance at a Coke annual meeting two years ago, when police wrestled Rogers away from the mike and forcibly dragged him out of the hall.

Early on, Rogers rejected SINALTRAINAL’s call for a consumer boycott of Coke products, fearing it would be

ineffective and might alienate unions working with Coke. He focused on “cutting out markets” by going after larger institutional ties. He convinced several unions, including the American Postal Workers, several large locals of the Service Employees International, and UNISON, the largest union in Britain, to ban Coke from their facilities and functions, and he induced pension-fund managers, including the City of New York, to pass resolutions threatening to withdraw hundreds of millions in Coke stock investments unless Coke investigated the Colombia abuses. He persuaded not only the SEIU but the largest US union of Coke’s own employees, the Teamsters, to pass a resolution in support of the Campaign to Stop Killer Coke and to speak out at last year’s annual meeting (the Teamsters stopped short of banning Coke from their own facilities). “It’s horrendous what we’re hearing,” says David Laughton, secretary-treasurer of the union’s beverage division. “The company’s lack of action is having a ripple effect all over the country in school and college, and that means reductions in jobs for us. It’s time for them to wake up and admit their errors.”

The campaign’s greatest success has come at colleges and universities. Rogers set up a website with a step-by-step guide for students looking to convince their institutions to cut multimillion-dollar Coke contracts, and he’s traveled to schools to hold rallies and advise students. One by one, more than a dozen schools in the United States, as well as a handful more in Ireland, Italy and Canada, have decided to cut lucrative beverage contracts or otherwise ban Coke from campuses. The effort accelerated after it was joined by United Students Against Sweatshops—one of the main

groups behind the Nike boycott of the 1990s—which helped organize its own chapters. Anti-Coke campaigns are now active at some 130 campuses worldwide. “This campaign against Coke has politicized a new generation of students,” says Camilo Romero, a national organizer with USAS. “It’s something that students feel personally connected to, because it’s something they can hold in their hand,” says Aviva Chomsky, a professor at Salem State College in Massachusetts, which severed ties two years ago. “It’s too easy to say, ‘There are so many bad things in the world, I’m just going to concentrate on my own life.’ It’s the concreteness of this that’s appealing.”

While student campaigns have mostly focused on the abuses in Colombia, some have included demands from other countries as well. Few companies have the kind of global reach of Coca-Cola, which has set up a network of bottling partners around the world that allows it to maximize profits by keeping distribution costs down and exploiting lax environmental and labor laws abroad. The first rumblings came from India, where villagers near several Coke bottling plants reported that their wells were dropping, sometimes more than fifty feet; meanwhile, the water they were able to get was tainted by foul-smelling chemicals. Starting in 2002 villagers near Plachimada, in the southern state of Kerala, began a permanent vigil outside the local plant. They finally won an indefinite closure in March 2004, although the case remains an issue in the Kerala High Court.

Villagers started another vigil, at Mehdiganj in central India, this past March. Escalating protests there and at a

third plant, in the desert state of Rajasthan, have ended in police attacks on villagers employing Gandhian tactics of nonviolence, which Amit Srivastava of the India Resource Center (IRC) lays at Coke's feet. "We know the company has the power to stop the police from resorting to violence," he says, "but it has let this go on without saying a word."

The IRC has been joined in its mission by Corporate Accountability International (CAI), which has attacked Coke on its aggressive push to sell bottled water. "If water becomes a branded product, it's clearly going to undermine the demand and support for publicly managed water systems," says CAI executive director Kathryn Mulvey. "The people who lose out are those who don't have the means to pay top dollar for their water." As a veteran anticorporate campaigner, Mulvey sees the Coke campaign as a new model. "People are taking these abuses that are happening all over the world and bringing them to Coke's headquarters," she says. "Transnational corporations are really surpassing the nation-state as the dominant economic and political institutions. Social change movements need to find ways to come together across borders and strategize."

The broad attack against the company has been a strength for the campaign, allowing diverse groups to share information and recruit greater numbers at protests, as well as making a more difficult target for counterattacks. "The company can't control it," says Rogers. "They realize they can't get rid of one person or group and hope the thing will die." At the same time, the sheer number of

charges against Coke raises the question of how and when the campaign can declare victory. On that score, the different groups are clear about their specific goals. The Campaign to Stop Killer Coke, for example, has adopted seven demands by SINALTRAINAL, which include a human rights policy for bottling companies and compensation for families of slain workers. The campaign in India calls for closure of certain plants, cleanup of others and compensation for affected villagers.

Many student campaigns have made their top demand an independent investigation into the Colombia abuses. At last year's annual meeting, Coke tried to mollify critics by releasing the results of a company-funded study, which was rejected by students as woefully biased. Still facing the prospect of boycotts at several universities—among them Rutgers, NYU and Michigan—Coke put together a commission of students, school administrators and labor leaders to come up with a protocol for an independent inquiry. “I was honestly hopeful, perhaps naïvely,” says USAS's Romero. “It seemed like they were putting this new investment into making things work.” From the beginning, however, the company insisted it had a right to be on the commission; even after Coke was booted by the students, it kept putting strictures on the investigation, such as a moratorium on investigating past abuses. The final straw was Coke's insistence that anything uncovered be inadmissible in the court case in Miami, which Collingsworth says is against legal ethics. “We cannot prejudice our clients by agreeing to bury evidence that would support their claims,” he wrote in an angry letter to Coke's Ed Potter.

At around the same time, new evidence of Coke's antilabor tactics emerged in Indonesia, where, according to USAS, workers were intimidated when they attempted to unionize; and in Turkey, where more than 100 union members were fired and then clubbed and tear-gassed by police during a protest. This past November the ILRF filed another lawsuit against Coca-Cola, based on the claims of the Turkish workers. By that point, students had had enough; all but one left the commission.

With the failure of the investigation commission, administrators at some schools ran out of excuses to keep the Coke contracts. Both NYU and Michigan suspended contracts in December. NYU's status as the country's largest private university earned the campaign national and international press. "We knew if we were to ban Coca-Cola, our statement would resound around the world," says Crystal Yakacki, a recent NYU graduate who helped lead the campaign while she was a student.

As this year's annual meeting nears, Coke has gone on the offensive, announcing a plan to draft a new set of workplace standards. At the same time, the company has asked the UN's International Labor Organization to perform a workplace evaluation of the Colombia bottling plants. Rogers and Collingsworth have already cried foul, pointing out that Potter has been the US employer representative to the ILO for the past fifteen years. "Either they know something we don't know," says Collingsworth, "or they believe the ILO moves so slowly and bureaucratically that they can delay." In response, Potter claims the organization is so large that no one person can

influence it. Regardless, the gambit is having some effect: In April Michigan, citing “the reputation and track record of ILO,” rescinded its ban.

At the Hotel du Pont on April 19, organizers hope to stage a repeat of last year’s grilling, with an even larger contingent of activists in attendance. Schools debating Coke contracts this spring include Michigan State, UCLA, the University of Illinois, DePaul and several campuses of the City University of New York. In Britain, the campaign lost a close vote in April to convince the National Union of Students—which represents 750 campuses—to cut a multimillion-pound contract. Many British universities, however, are continuing individual boycotts, as are campuses in Italy, Ireland, Germany and Canada. “This is a moment in history that is very rare, where students have the power to change one of the largest corporations in the world,” says Romero. After recent campus victories, momentum seems to be on the side of the campaign. “Coke has a contracting market; we have an expanding market,” says Rogers. “I want Coke to come to the realization that there is a lot more for them to lose by continuing to do what they do. They have to be made to do the right thing for the wrong reason.”

Until they do, say activists, the violence against Coke’s workers will continue. “It’s very difficult for me to convince my family that they have to live with the worries, and that they will one day maybe have to receive bad news,” says SINALTRAINAL’s Correa. “My kids say that walking with Dad is like walking with a time bomb. But I can’t leave this struggle seeing these violations happening

all around me. The reality of the situation is that it's better being with a union than without one.”

Michael Blanding Michael Blanding (www.michaelblanding.com), a fellow at the Edmond J. Safra Center for Ethics at Harvard University, is investigating institutional corruption in the nuclear power industry.

To submit a correction for our consideration, click *here*.
For Reprints and Permissions, click *here*.
